Professional MBA
Automotive Industry

Disintermediation – Elimination of intermediaries in vehicle distribution affected by e-commerce

A Master's Thesis submitted for the degree of "Master of Business Administration"

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I would like to dedicate this work to my parents, brother, wife and daughters for their support and patience during the MBA program.

Affidavit

I Tomáš Rajek, hereby declare

1. That I am the sole author of the present Master's Thesis, " Disintermediation Elimination of intermediaries in vehicle distribution affected by e-Commerce ", 85 pages, bound, and that I have not used any source or tool other than those referenced or any other illicit aid or tool, and
2. That I have not prior to this date submitted this Master's Thesis as an examination paper in any form in Austria or abroad.

Vienna, 9.5.2013

Signature

List of abbreviations

B2B	Business to Business
B2C	Business to Customer
CRM	Customer Relationship Management
e-broker	Electronic Broker
e-commerce	Electronic Commerce
e-marketing	Electronic Marketing
Net Geners	Net Generation
OEM	Original Equipment Manufacturer
SWOT	Strength Weaknesses Opportunities Treats
Wi-Fi	Wireless Fidelity

Abstract

Disintermediation, as a removal of intermediaries in the supply chain, is part of business evolution influenced by new technologies and their capabilities. Many businesses use e-commerce to reach their customer effectively, with less intermediaries and interruptions in supply chain flow. Automotive distribution is already changing due to the Internet sales capabilities and virtual communication channels.

Main objective of Master thesis is to identify the traditional methods of a vehicle distribution, to analyze current situation of the automotive market, and to define the megatrend of disintermediation applied to automobile distribution with a predictions for future development.

1. Hypothesis: Consumers use the Internet not only to accumulate information; they use the on-line environment to purchase products and services as well
2. Hypothesis: The Internet is already a relevant source of information for the process of decision-making involved in the purchase of a vehicle
3. Hypothesis: The customer is still not ready for the on-line process of purchasing a vehicle
4. Hypothesis: The future development of the vehicle distribution strategy leads to disintermediation via the usage of e-commerce tools

Research in this thesis is made through combination of different methods and sources of required information. The research is starting with a secondary research, by processing data that has already been collected by another party. Primary qualitative research is used as an interview of respondents in personal way. Quantitative is made through a method of structured questionnaire with open and closed question.

The technological progress is ways faster than human potential is able to adapt to this progress. The trend discovered in the age diagram confirms that behavioral change for on-line shopping of vehicles and other products is in positive correlation with given age segments. It will take some time until there will be a technological solution that will appear as an advantage for wide audience. Within the period of 10 years manufacturers will rebuild their systems accordingly to meet the expected need for the direct model of a vehicle distribution affected by trend of disintermediation.

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1 Introduction

"There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success than to take the lead in the introduction of new order of things"

Jean-Jacques Rousseau

1.1 The Background of the Problem

The world has already changed and the environment we are working in has changed as well. Every business is a digital business in a specific way. The use of digital technology is noticeable in every part of our life. Digital era has just begun and it is critical to keep up with its fast pace.

Old-fashioned way of thinking and doing things as used to may be threatening, because of losing the right direction - the direction of development, according to the new rules and standards of changed world. Life is faster, more effective and efficient, and easier to live. Thanks to new technologies, new possibilities open up, due which people are willing to change their behavior and customize their habits.

Disintermediation, as a removal of intermediaries in the supply chain, is part of business evolution influenced by new technologies and their capabilities. Many businesses use new methods to reach their customer effectively, with less intermediaries and interruptions in supply chain flow. The reason for disintermediation is to drop the cost of customers' service directly and manage information flow more carefully between the customer and the provider. Elimination in distribution channel is also closely associated with the idea of just-in-time manufacturing, where the removal of the need for inventory removes one function of an intermediary. The higher profitability of participants in the distribution channel is the reason to reorganize the supply chain and make it more effective by cutting the middleman, thus the sustainability of profit margins is capable in the pressure escalated environment by competitors.

Traditional distribution is currently under the pressure to reorganize its supply chain to be more effective. With new technological means, revolution in distribution is a logical solution. The primary function of distribution channel is to bridge the production with consumption. Many traditional distribution channels are revaluated and rebuilt to serve the customers directly via virtual interface. Versions of distribution chains, where the wholesaler and the retailer are in the middle, seem to be an anachronism. This set up was made to serve all the customers with no relevance to distance and other barriers. With virtual alternatives there are new possibilities, which customers can serve themselves with independently and car producers can maintain direct contact with customers without any buzz.

It all started with generation Y, or with Millenniums that started to appear around 15 years ago. Generation Y has been educated with, and has been connected to regular usage of advanced technology. The way the world has been changing technologically has been caused by those generations.

The next generation arrived; it is the first global generation, generation of people, who were introduced to computers before they could even speak. Right now, the first appeared members of this generation are becoming economically active. Their safe communal spaces are on the Internet and online, using social networking sites, rather than being in touch with the physical world. This generation has developed an entirely new set of social skills. Technology has influenced the way that this generation behaves, the way it interacts; however the way this generation thinks and behaves is influencing and shaping the technological virtual interface itself. Memorization skills and critical thinking of mentioned generation are gone, but their skills of selecting, sorting, shifting and comprehending information are just outstanding.

Net Genres, how this generation is called, is built of none passive consumers. They expect interactivity from companies they buy products and services from. The net generation learned to ignore, or to avoid mass advertising since they were born. Rather than using standard advertising strategies, marketers must approach Net Genres via their own channels. By interconnected environment of the Internet this generation may enforce global splash immediately.[1] Therefore, if marketers would ignore the needs of this generation, this generation would ignore any messages and consider them as a disrupting noise among information they like to select.

[1] Don Tapscott (2008): Grown Up Digital: How the Net Generation is Changing Your World, p. 34

To predict future supply chain and marketing megatrends, socio-economic conditions must be reviewed. For Automotive industry, analysis of herein mentioned and future generations is extremely important. It is not only the matter of selecting proper distribution channels, but the mobility principles as well. Upcoming generations may change marketing strategies of automakers, as well as automotive industry in general.

1.2 Significance of the problem

Since the beginning, the automotive distribution was mainly about indirect distribution format. Vehicles have been sold and serviced by franchised dealer networks. Automotive distribution is already changing due to the Internet sales capabilities and virtual communication channels. Technical factors have fundamental impact on the automotive industry and the distribution. The life cycle of a vehicle is shorter, and innovation cycle is faster. Additionally, the modularity and system usage has changed in automotive business in general. The cross concern policy of modularization and its technical solution impacts brand positioning, pricing, and the quality of service. The e-commerce with its use of new e-marketing methods is the biggest technological trend, not just in automotive industry, but also in general worldwide cross industries as well. Technology allows manufacturers to communicate with customer directly and use interactive approaches to improve mutual relationship.

To make shopping decision, car shoppers depend intensively on web sites. It makes great sense for companies to put as much effort to develop effective, and interactive communication platforms, just as they would with traditional methods of sales and marketing using a brick and mortar dealer network managed by a local import offices. The challenge of these days is to better integrate on-line to off-line sales processes. The goal is to provide transition from web-based data collection of information to complete purchase at a brick and mortar place with an ambition to accomplish full service via full-integrated web-based application, involving all important and necessary functionalities. Some functionality is just unavoidable for purchase of a vehicle. Functional and interactive web-based digital marketing is a must for the automotive industry.

The pressure of car shoppers to decrease prices pushes manufacturers to use other building blocks of the supply chain, which are the Internet, e-commerce and e-business models. They utilize the changes of market demand and notify all the divisions such as marketing, finance, manufacturing, logistics and other departments about those expected demand changes. These models are used for information sharing, marketing and aftersales purposes. Manufacturers are already using the Internet to promote brands. They use social media to connect with future and present customers, and connect work related information to share with other parts of the company.

The online environment is beneficial for both sides of relationship, for consumers as well as for manufacturers and their suppliers. It provides more options, more possibilities for reaching required information immediately. In addition, it is used to review offers from every producer and identify individual needs in order to reach cost and value savings of a purchase. The online environment improves customer satisfaction with great experience and pleasure during the process of a purchase.

It is clear that not every target group is satisfied with the upcoming technology solutions, thus there must be planned process of transition from traditional sales procedures to new high tech solutions. Due to generation of web-oriented customers, having online skills and benefiting through new technology devices, automotive sector must reflect to fulfill the needs of this upcoming generation. Today the Internet plays important role at the searching phase rather than at the purchase stage. It does not mean that with new upcoming generation of consumers this situation will not change. It is predictable that with every new generation grown out in everyday touch with virtual interface, there will be a need to customize the whole system according to this demanding generation. The fundamental question will be, if the position of a vehicle remains as a solution for need of mobility, as well as a need of vehicle for a value in general.

1.3 Research motivation

The overall aim is to analyze the actual situation in the vehicle distribution according to the distribution channel evolution with a focus on digital marketing and e-commerce principles. Consumer channel choice is also part of this study as a research in the field of consumer's preferences and requirements for the process of purchase decision. The results will help to understand the overall situation in distribution channel choice, as well as the new formats of e-marketing focusing on elimination of intermediaries in relationship between producer and customer. The study analyzes the area of vehicle distribution from the perspective of consumer and manufacturer.

To reach the goal, the general situation must be determined additionally to the determination of the position of a customer, in the area of choice in delivery channel, and which factors influence the customer behavior. To answer the research question and achieve proposed goal of the study; the current automobile distribution structure must be determined and characterized at first. Different distribution and business formats are explained and determined from the perspective of a manufacturer and a customer. Actual megatrends and visions in the field of study are described and outlined as well.

Interviewing is also part of this thesis. Research made by structured and unstructured methodology is performed to discover actual situation in strategy of manufacturers and their branch offices, as well as to reveal preferences of customers in targeted territory according to socio-economy segmentation of the responded target group. Results are analyzed, interpreted, and generalized as a material to affirm megatrends and visions. Knowledge of customer needs, behaviors and preferences helps to design and develop appropriate distribution channel strategies utilizing e-marketing and e-commerce tools.

1.4 Objectives

Main objective:

To identify the traditional methods of a vehicle distribution, to analyze current situation of the automotive market, and to define the megatrend of disintermediation applied to automobile distribution with a predictions for future development.

Sub-objectives:

1. To analyze the purchasing behavior of consumers that purchase products and services on-line.
2. To find out the relevancy of information sources, which are important for decision-making process of a vehicle's purchase.
3. To discover consumer's preferences of on-line shopping of a vehicle
4. To predict the future development of a vehicle distribution with a focus on disintermediation and e-commerce principles

1.5 Hypothesis statements

1. Consumers in general use the Internet not only to accumulate information but they use the on-line environment to purchase products and services as well.
2. The Internet is already a relevant source of information for the process of decision-making involved in the purchase of a vehicle.
3. The customer is still not ready for the on-line process of purchasing a vehicle.
4. The future development of the vehicle distribution strategy leads to disintermediation via the usage of e-commerce tools.

2 The Distribution channel strategy

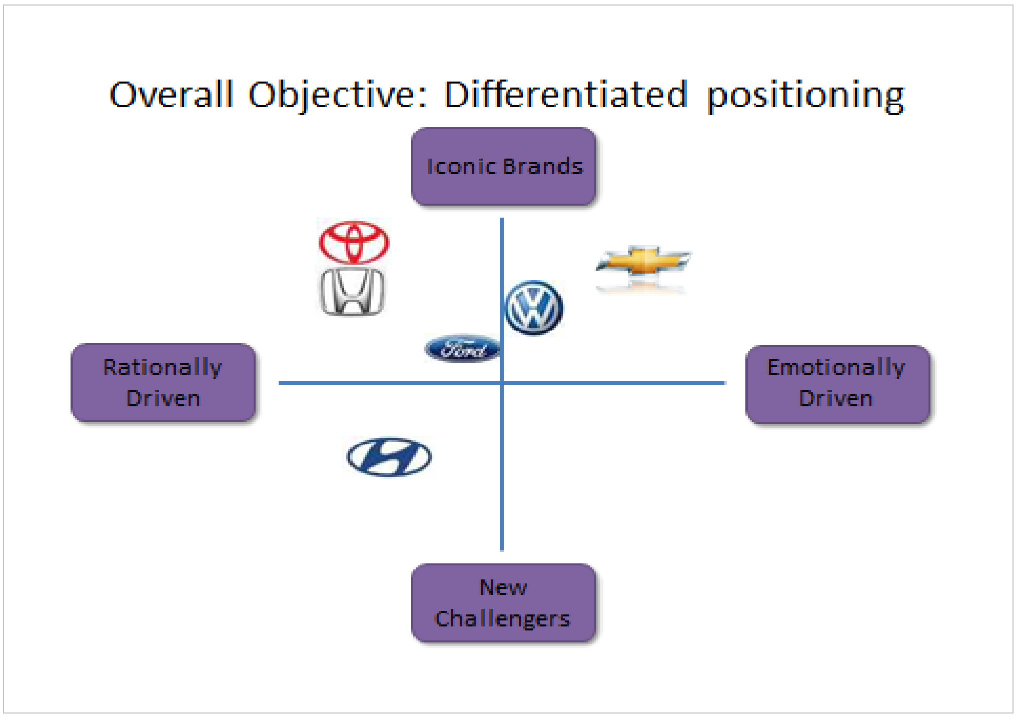
The channel analysis has to be unique to each combination of tree elements:[2]

- Product
- Target market
- Lifecycle stage

Product and target market are very close to each other. Product is defined and prepared for specific target group, or target market, by marketing pre-evaluation. It is understood that each product is built for a specific target market. Target market of a product may change accordingly to a lifecycle of a product. At the end of the lifecycle, pricing policy changes and that may attract different target groups.

Product, a vehicle, is a complete product for wide audience of customers. In product mapping the target market is defined. For selection of the distribution channel, it is very important to define to whom is this distribution channel build for. For luxury vehicles, the distribution strategy is significantly different than it is for volume vehicles. The solution defined for one of the products cannot be used for the other one. Not accounting for the lifecycle of the product, hence in this case it may change, but it is very dependent on marketing strategy of each brand.

[2] Tony Seba (2013): Distribution Channel Strategy. http://www.youtube.com/user/tonyseba



Source: Chevrolet Brand Bible, Internal material Chevrolet, (2013)

Figure 1: Brand positioning

The channel analysis is a dynamic process; the channel of distribution has to be revised constantly as everything changes. Technology, competition, customers, market behavior, economic changes, and distribution channel must be revised to the needs of market.

2.1 Definition of channels

Channels are organizations in charge that make available to and sell the product and services to the target audience. The strategic marketing plan defines, which channels in which market, for which product, and at which stage of lifecycle are the best to attract the customer.[3]

➢ Sales part is the part of the channel, which provides possibility for customer to reach the product, to get the communication message, to attract the customer and to negotiate price and terms.

➢ Logistics is the key role of distribution channel, but not the only one. It is the transfer of products, physically, or digitally using specific means of transportation.

[3] Tony Seba (2013): Distribution Channel Strategy. http://www.youtube.com/user/tonyseba

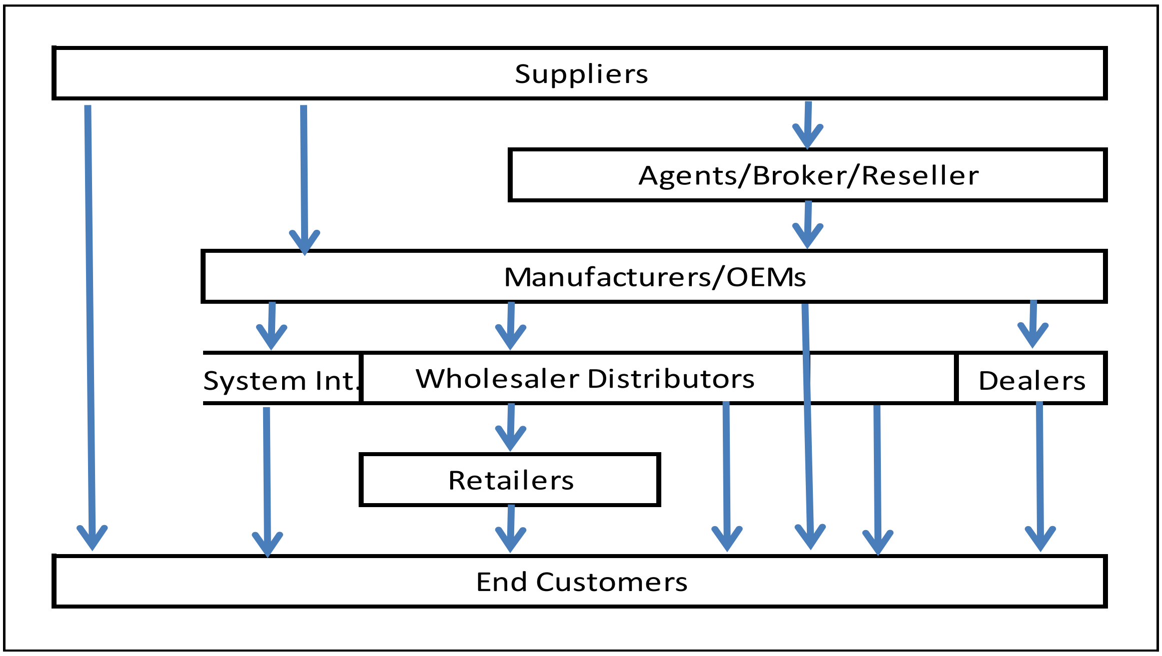
- Finance is an essential part of the distribution channel. It is important in value creation. Financing product to the end user is not the only part; financing of distribution pipeline is the part of financial support as well.

- Channel of information flow to support, advise or inform the customer, as well as the flow of information from customer to producer to define customer preferences and needs are important parts of distribution channel.

2.2 Channel options and selection

There are many channel possibilities. Important is the channel selection, since not every channel is suitable for every product. This strategy is explained in next part. There are almost infinite options for distribution channels, from direct to indirect, multi intermediary channel of distribution. More intermediaries mean more expenses, because each middleman has to be financed by an additional margin. Some strategies for a distribution need very complex solutions, other are able to serve customer directly by virtual on-line channel from manufacturer to end customer.

Principles to choose the right channel and to find the right option are the same for physical and virtual goods. Even when digital goods need to be distributed, sometimes it cannot be done directly, hence there are intermediaries involved.



Source: Tony Seba (2013): Distribution Channel Strategy

Figure 2: Channel Options

Selecting the right channel is important to reach the right target group. The traditional way of retailing in automotive business is in use for many years. Times have changed and with the arrival of new technologies and virtual communication through virtual networks, the need for the traditional methods is not the same as it was 100 years ago, when the automotive models of distribution had just begun.

Using technologies, we can communicate with customers faster and we can reach their responses at a speed of light. Distribution system does not need that many intermediaries as it has been formerly used. Disintermediation is a part of new megatrends in distribution. New distribution methods and models are welcomed to reach efficiency and higher levels of service satisfaction provided to demanding customers.

To analyze the proper channel choice for on-line and off-line methods of vehicle distribution, the different business models must be described and analyzed.

Customer survey

The most important part for channel selection is the customer survey. The customer is in the center of importance. The preference of the customer is the key to the right channel selection. Customer preferences change, as generations change. In order to find out the need of a target group, it has to be aligned with the right channel at the right place. Customers are attracted to a communication message, if that message is about exact things what customers want to hear about. Also customers will buy more, if the channel is situated exactly where they want to do business with the company.

Marketing survey is an important part of this study. To ask the customer about the preferences, needs, values or motivation is a part of the survey introduced in chapter 4. With this quantitative and qualitative information, it will be possible to define other variables needed for creation of the right revised distribution channel.

Strategic fit

There must be a connection between customer preferences and the marketing strategy of a product. Analyzing the possible distribution channel is a must in regard to the complex marketing environment. If there is a marketing strategy given for a niche product and customer's ideas are not exactly coherent with this overall strategy, than strategic fit is not fulfilled. Market strategy has to be coherent with product positioning.

Product fit

Not every distribution channel seems to be the right one for every product. Some channels are not capable to push the product to customer, or do not let the customer pull through this channel. In this situation, channel must be reconsidered, because even if a customer wishes to be served by a specific channel, that channel might not be capable to serve the customer properly. The use of processes, which simplify the specifications of customer's needs of a product, the more channels of distribution may become available for this product.

Financial Sense

The reason to operate business is to reach a financial profit. Customer is important but financial health of a product provider is even more important. Distribution channel must make financial sense; otherwise this channel is not the right one, even if all the listed conditions above are met. The profitability of distribution channel is the most important for sustainability of distribution channel from timeline perspective.

	Decision	Sequence	→	
Channel Candidates	Customer survey	Product fit	Stategic fit	Financial sense
Distributors	→	→	→	→
Retail stores	→			
Catalog				
WEB Configurator	→	→	→	→
Sales force	→	→	→	
System integrators				
OEMs	→			
Wholesalers	→			

Source: Brian K. McCarthy (2013): Marketing: Channels of Distribution

Figure 3: Channel selection matrix

Consumer channel choice

The customer is the most important part of marketing strategy. It is the 5th P of the marketing mix, which is called the People mix. Marketers must focus on customers' needs, in order to select an appropriate distribution channel strategy. The distribution structure of automotive sector is not that flexible as structures in other industries. The position of traditional distribution channels in automotive industry is very rigid and there is not much innovations regarding to distribution channels strategy. A deeper study of customer's behavior in decision-making in relation to distribution channel selection is necessary. An appropriate selection of distribution system for specific market is the fundamental task for success in automotive sector.

The high involvement purchase is based on cognitive processes that lead people to make their decisions. The conclusion for the purchase is involved with many thoughts, examinations and comparisons. So many factors are involved and the consumer spends not just the big amount of time, but also money. It is a decision for the future, so it has to be well considered without any regrets. On the other hand, the low involvement is mostly behavioral process. It is instant decision accounting to satisfy the customer needs right away, without a hesitation or complex thinking processes. There is not much at stake. The high involvement channels offer big variety of information, looking professionally, and precise giving answers possibly to anything that the customer desires and is looking for. Brand image is engaged but the support for customer's decision making has the highest priority. The channels of low involvement products give just brief information about the product and focuses on the brand image. Automotive industry would be considered as high involvement and the proper virtual channel would have to focus mainly on the support of customer's decision making.

2.3 Factors of channel choice

The channel influences the time length and cost of a product distribution. The volume of sales is the measure if the channel choice was right. Choosing the right channel is about selecting the best possible combination of intermediaries, or in contrary avoiding the middlemen. The objective is to deliver the most effective distribution for the best costs possible. Before selecting the channel, the alternatives in terms of sales potential, cost and suitability must be evaluated. The determinants affecting the choice of channel are classified in the following groups.

The proper distribution channel and its choice are dependent on the characteristics and nature of a given product. Some important characteristics are described hereunder.

The value of a product is influential characteristic for a choice of distribution channel. Low value products are sold mainly through more intermediaries in order to suck out the direct selling costs. The described products are low priced and high turnover items. They flow through long supply channels in order to achieve proper product postponement. Those are products such as cosmetics, small accessory equipment and etc. Whereas expensive products are and can be sold directly by producer, thus eliminate middlemen.

Next in line is the perishability to be considered. Products, which cannot withstand repeated handling, or products of a seasonal nature, use mostly short channels, products such as dairy, fruits and vegetables etc. If the product is subject to frequent changes, such as fashion and style, it is distributed through short channel, due to the producer's need for maintaining the connected touch with the market. For products not influenced by the time of newlines are sold through agents and merchants.

The bulk and weight of products is an important characteristic as well. The heavier the product the shorter the channel for distribution in order to minimize the handling costs.

Products, which are differentiated, that means customized or nod-standardized use short distribution channels. The producer that makes items especially for some costumers has to be in close touch with that segment. On the other hand, mass-produced goods can use longer distribution channels, hence middlemen.

The technical complexity dictates if the channel has to be short based on if it requires special handling, demonstration of usage, installation and after sale services. The producer of this type of technology sells directly and appoints sales reps to provide services and accessories support.

The company’s product line portfolio is a considerable characteristic for a choice of a channel. If a producer has wider portfolio of products, it is better for him to own his own retail channels. If a company makes only few products, it is better for him to use wholesalers and specialized retailers for distribution.

If a product is new in the market not many middlemen wants to handle it. The novelty of a product and its competitive feature, if it is young, requires specialized promotional efforts. Once the product reaches bigger market penetration and maturity, then more middlemen wants to handle it.

After the product characteristics, the market consideration is next in line that suggests what type of distribution channel to use. More precisely, market consideration is the nature and type of customers.

It all starts whether it is B2B or B2C business relationship. If it is B2B the goods are sold through direct sell or through agents. It is due to the fact that commercial users buy in bulk and they need and establish the direct contact with the producer easily. On the other hand, the B2C goods are sold regularly through middlemen.

The nature of the market based on the location and number of buyers significantly influences the channel. If there is small amount of customers or the market is limited in area, direct sell is economically advantageous and easy. However, if there is large number of customer and they are spread all over big area, the wholesalers and retailers become handy.

The next consideration is whether the products are sold in huge quantities or frequently in smaller quantities. Direct selling is preferred when the buyer buys in large and few orders. If goods are bought regularly and each purchase is in small quantity, then middlemen could be used.

If manufacturers sells to B2B that order large infrequent quantities and to B2C that order small regular quantities, then the producer selects more channels to distribute through. If he sells to large chain stores he sells directly, of to small retailers he uses specialized middlemen.

Another consideration is the customer's buying habit. It is the effort and amount of time customer is willing to spend for shopping. The examples are if a customer desires one stop shopping experience, the need for personal attention, the want for self-service or the need for financial services.

The next channel option influencer is the company's goal, such as mission statements and objectives. The position of a company in the market is important if there is used direct distribution or middlemen channel. Well-known companies with good credibility should eliminate middlemen than new and unknown firms.

The financial strength of a firm is an advantage for a company if it wants to have its own retail shops to sell directly to customers. But companies with inefficient funds cannot invest heavily into own distribution, thus have to rely on middlemen and middlemen's marketing.

The human capital, such as management capabilities is important nature for a company, if it wants to make direct distribution or not. The company would profit from the knowledge of management in distribution if it sells directly, whereas if the management does not have the nuances of marketing, the company should rely on middlemen.

The volume of the production dictates the choice of the channels a way, that if a producer makes large quantities it is profitable for it to have own retail places throughout the market, and if the producer makes lower quantities it is economical to sell through middlemen.

If a company has a desire to control its distribution, it selects short channel to maintain aggressive promotional efforts and close relationship with customers. A company that does not need much of a control selects middlemen instead.

Thus, companies selling directly have to provide post sale services, financial support, delivery etc. and companies that do not have this type of support and offerings have to rely on middlemen.

Companies have to consider, hereunder, described specifics when choosing middlemen. The cost and efficiency is a reflection of those specifics based on the nature and type of middlemen.

If there is not the availability of middlemen, the producer may have to create his own distribution network. For instance, middlemen are not available when they are handling competitive type of products so creating conflict of interest.

Despite of the availability, even if middlemen are available, the attitude of middlemen is important. It could happen that the middlemen refuses the producer's marketing policies. For example, having exclusivity right for territory, or guaranteed prosperous pricing. The best economically beneficiary middlemen are those that provide financing, storage, promotion and after sale services.

2.4 Decision making process

In order to understand the channel selection, the customer's decision-making must be easy to follow. The customer wants to satisfy his or her needs for a product and this process is executed by the decision-making. Sometimes it is a rational and sometimes also an emotional decision. It is very complicated to understand customer's behavior in a decision-making process. Even with a questionnaire it is not possible to get an accurate data.

The model of consumer's decision making process was developed by David A. Statt and it consists of 5 steps:[4]

[4] Statt A. David (1997): Understanding the consumer: A psychological approach, p. 184

1. Problem recognition
2. Information search
3. Evaluation of alternatives
4. Purchase decision
5. Post purchase behavior

1. Problem recognition: To realize the need for something must be recognized to set a specific demand. To recognize the need and to figure out the demand is essential in this part.

2. Information search: The information search must be performed to avoid the cluelessness about the requested product. There are many channels of information flow. Some channels are conscious and others are not, therefore information flow is done without a dedicated activity.

3. Evaluation of alternatives: The decision to execute further steps is performed in this part. Alternatives are evaluated and recognized and emotional or empirical approach is executed to define the optimal solution to satisfy the need for a demanded product.

4. Purchase decision: The most crucial step is to finalize the purchasing process. The customer has to find the right product at the right place and for the right price to finalize the process. The purchase is executed when the consumer's readiness to fulfill his or her demand is satisfied.

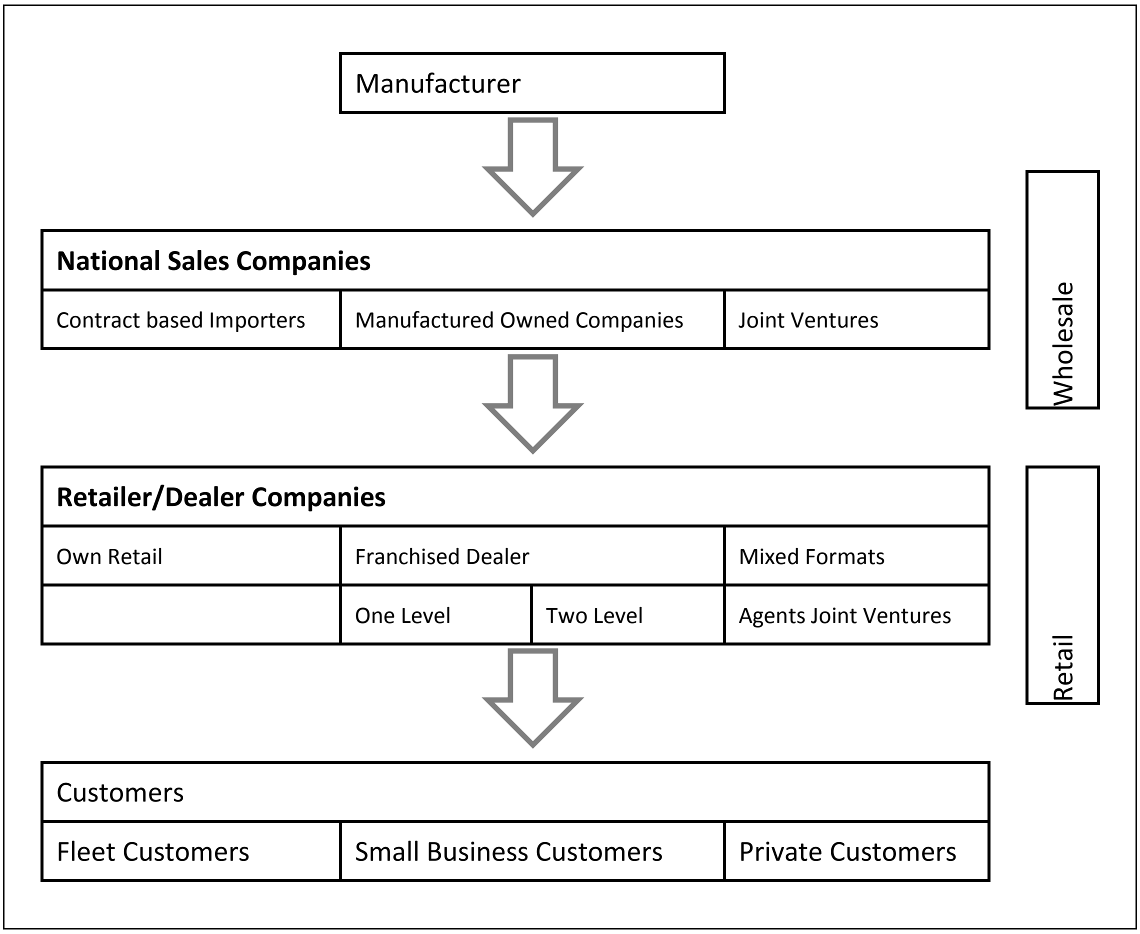
5. Post purchase behavior: The references about a product, the satisfaction of a purchase execution and the retention of a customer and his or her further decision to make repeated purchase are the key outlooks.

3 General distribution channel strategy in automotive industry

In order to deliver the product form a place of realization to a place of consumption, the goods and services must follow the path, which is defined as the channel of distribution. From marketing point of view, it is a matter of “place” to define the position of a channel. Marketing channel consists of the producer, the intermediary and the consumer. The channel is the path between the producer and the end-user. Channel of distribution is a trade channel, which moves products or services from a place of production to a place of use. Intermediary may be any institution, individual or interface, which helps to manage path from a production to a client. Channel or chain of distribution may be direct or indirect, with tangible or intangible products of mediation.

3.1 Distribution structure

The distribution consists of all the activities in marketing, which are responsible for the delivery of a product to a customer. The most important goal for any distribution channel is to make the product conveniently available for customers who want to buy it. The appropriate level of availability varies with the specification of the product and the targeted group. The product’s significance to those customers is dependent on the timeframe and the effort to obtain it. The level of satisfaction must be delivered while meeting the service expectation.



Source: Diez Willi (2006): Automobile Marketing, p. 270

Figure 4: Vehicle distribution structure

Automobile manufacturers have traditionally sold their cars through franchised dealers. People report unpleasant experience when buying a car. A growing number of buyers may want to buy a car in a different way. Auto manufacturers are constrained, given their tie-up with franchised dealer, in how far they can go in revising their current distribution channel. New companies have a free hand in choosing or developing more effective new distribution channel.[5]

There are direct and indirect methods of distribution. For decades it was the indirect method, which dominated the distribution of vehicles. It was managed through local imports and dealer networks, operating in designed area. Each dealer was operating in given area of responsibility. It was the responsibility of a dealer to take care of the dedicated area and to manage appropriate sales as well as the coverage of the region.

[5] Kotler Philip (2009): Marketing Management, p.105

Distribution channels are more than just connected intermediaries. It is a complex system, which cooperates together as a block of interest. In sales of vehicles there is the manufacturer, the wholesaler and the dealer on the way to a customer. It is the traditional method that exists in sales of vehicles for many years. Moreover, there are independent companies connected to the pipeline of sales for new vehicles.

These companies are independent entrepreneurs working together in a close cooperation. It is important for each company in part of this path to take full responsibility for their operations. According to marketing mix strategy, each partner in this structure creates the final result as a part of a common success. Every level and place of the distribution channel consists of a marketing mix strategy. Distribution channel is part of this strategy, however each level creates not just the path, but also creates part of the product, the price and the communication. Price, product, promotion/communication and place/channel are the 4Ps of marketing mix.

Direct method was not the right option for distribution of vehicles for decades. It was mainly due to the distance, the market specification, and the lack of communication tools. It was impossible to operate anywhere in the world without the structured chain of representation and distribution. It is bidirectional supply chain flow with stream of products and information.

This situation has changed due to the penetration of the Internet and web based interface to an everyday life. With the arrival of the Internet, and "all-connected" population, the limitations are gone. Distance, market specifications and lack of communication are no more a limit stoppers. Those barriers of entry for the change in the supply chain are dismantled. Distance is not important anymore, communication tools help with the distance, and market is more unified and predictable. With the use of new smart devices and telecommunication network, this situation is even more visible.

Many industries have changed their distribution channel strategies due to the ordinary change in evolution of markets. Change is good and evolution is impossible to control, or to eliminate. Elimination of the middleman, so called disintermediation, is an opportunity not just for a customer, but also for a producer and new players in the market. Traditional intermediaries have to develop new technique on how to create added value for channel, otherwise there will be no chance for survival. To be competitive, it is crucial for a producer and a service provider to develop and search for new business opportunities. With the direct distribution channel there are no ineffective techniques, which may be replaced by new innovative solutions. Disintermediation does not mean only cutting the intermediaries; it means also replacing them by new ones. This new replacing elements are part of a modern field of business called e-commerce.[6]

3.2 Distribution channel models in automotive industry

3.2.1 Direct channel of manufacturer

The direct retailing of OEM products is done by specifically own distribution network. It is a must for products, which are of a premium quality and require special treatment to its customers with the best service and experience. Direct contact with a client is important to create the essence of the brand, or to receive the first-hand reference of the product experience and to satisfy the needs of a demanding customer. This business model is mainly used for premium brands with tailor-made, or customized aircraft manufactured models of production. Direct sale channel is very limited according to market penetration and volume. Nevertheless, direct channel offers the best service to the client, as well as the best margin to the manufacturer, since there are no intermediaries involved in the path to the customer. The main disadvantage is high capital investment of a manufacturer and no exclusive orientation in the vehicle distribution process.

For this reason, the direct retailing channel seems to be the best option for luxury brands. Exclusive position of the brand is not very common in other channels, and this exclusivity is fundamental for premium brands only. Volume brand is focused to the scale of market share, and to the volume of sales in dedicated area and coverage by this volume brand in general. On the other hand, premium brand shares different values. These values may be reached only by direct connection to the final customer.

3.2.2 Indirect channel of dealer

The indirect channel is a distribution channel consisting of more intermediaries. How many intermediaries are in the chain depends on the model of an indirect distribution. For vehicle distribution, this is the most common model of distribution channel, mainly for the delivery of brand new vehicles.

[6] Armstrong Gary, Kotler Filip (2003): Marketing: An Introduction, p. 549

The independent dealer network is in a relationship with the manufacturer directly, or through assigned local importer or distributor. The dealer is independent entrepreneur fully responsible for operating his own business. Relationship to manufacturer is usually regulated by the franchise agreement, thus the dealer uses the know-how of distribution through franchising marketing methods.

The dealer owns and finances his own stock of products, searches for customers and communicates with them. The dealer takes full responsibility for success and takes full risk for failure. The reward for taken entrepreneurial risk is the defined contribution margin generated by the sales of vehicle and aftersales service.

To establish successful dealer network, the local distributor searches for ideal business partner. Each dealer receives designed area of responsibility to cover the local presence and to reach designed market share. Sales effectiveness is calculated to analyze his yearly performance according to national average. Distributor, or the importer creates the dealer network accordingly to qualitative and quantitative criteria.

The main advantage of a franchise dealer method of distribution from the perspective of a manufacturer is the independent network of entrepreneurial units fully responsible for their business and business results. It means less investments, risk diversification, and full market coverage. The disadvantage of this system is a risk of distribution efficiency influenced by optional multi-brand dealerships with diversified portfolio of products, thus conflicting the scope of interest. For a customer, this optional offer is classified as an advantage of choice. In the same place, customer can choose the right product satisfying his needs and expectations. The conflict of interest between the dealer and the manufacturer is inappropriate, when the manufacturer offers better conditions for some product line to be prosperous and the dealer detours that focus to most favorable products instead.

Indirect channel is the most used method for vehicle distribution. Most of the brands operate this way on worldwide scale. Nevertheless, times have changed; therefore it is probably not the best solution to maintain this distribution. Unique position of indirect channel is underlined by responsibility of each intermediary. Many intermediaries may be changed and rebuild; outstanding relationship with performing dealer and customer are the most valuable part of this channel. CRM - customer relationship management is a daily task of well performing dealer. Dealers operating with databases and maintaining outstanding relationships are the only middleman entities that can survive these days.

3.2.3 Indirect channel of representation

Agents, mediators, and leasing companies are representatives of a brand in the free market. Middleman of this kind is an independent entrepreneur operating by his or her own name to represent brand exclusively, or generally with other brands. This agreement may be signed with independent dealer or manufacturer directly. Low investments in these methods of business are a bit risky for manufacturers; due to the fact that entrepreneur is not taking the full responsibility of possible failure in the designed area of responsibility.

Agents

Agents are in the middle of the relationship. The agent provides service, but does not cover the full service regarding to sales of vehicle. Low risk means low margin. Agents are qualified experts in the product and the methods of sales. To achieve success, key accounts are of the highest value. Sometimes strategic accounts are the biggest success drivers for independent agents. This form is not very often in use.

Mediators

Mediators are companies, or individuals, providing service to customer without being a part of the dealer network. Customers drive the demand; mediator is trusted intermediary providing the service to sponsor of purchase.

Leasing companies

Leasing company, which provides full service leasing, is also part of this group. Financial services are products offered to customers. The complementary to these services are negotiations with manufacturers directly, or locally based representation offices. Leasing company negotiates special conditions, as a part of financial offers, in an exchange for guaranteed volume of mediated vehicles. In addition to these negotiations, leasing companies provide, as a part of their service insurance, aftersales care, tire exchange, vehicle tracking, and fuel usage management. Dedicated account managers have extraordinary relationships with customers, which is the key indicator foe sales success. Fleet deals of leasing companies generate significant volume of vehicles delivered through indirect distribution channel.

3.3 E- Commerce

The definition of e-commerce means that the process of execution of commercial transactions electronically is in hand with the leading technologies such as Electronic Data Interchange and Electronic Funds Transfer. These technologies allow users to exchange business information and carry out electronic transactions. These technologies were made available in the late 1970s. The commercial use for e-commerce happened quite late in 1991. These technologies allowed business companies and organizations to send and receive commercial documentation electronically.[7]

e-Commerce is a short version of the term "Electronic Commerce". This term implies on-line transactions of products and services. The volume of these transactions grows from year to year. Varieties of transactions are made this way; electronic transfers, e-marketing, supply chain management, inventory systems or data collection. The definition of e-commerce implies that a transaction is termed as electronic commerce, if it uses the virtual interface of World Wide Web at least at any point in the transaction lifecycle.

History of e-commerce dates to e-Bay and Amazon, which were the first well-known companies operating electronic transactions. These companies built up the methodology of buying and selling over the Internet. Nowadays, there is an industry providing services to customers that browse and shop on-line. Currently there are three largest and most famous on-line retailers: Amazon, Dell and Hewlett Packard. The most popular categories of products sold over the Internet are music, books, computers and other consumer electronics.

e-Commerce is a great experience already. This methodology has changed the world of retailing significantly. There are many consumers preferring this way of shopping and increasing in numbers. The main reasons are comfort, ease of access to information and its transparency. e-Commerce gained popularity exponentially. Technologies supporting the capability of the Internet are evolving significantly, as well the population working with and using this technology.

[7] Mohapatra Sanjay (2013): e-Commerce Strategy, p. 4

Made to order, the choice of shipping methods, direct delivery to its end user are one of options that make retailing easy and convenient. Mass customization is the future of retailing and on-line service is becoming the only way of delivery. It is still long way for the e-commerce to replace brick and mortar stores, but there is a possibility of it with the evolution of technologies and the mentality of consumers.

Experts predict a promising future for e-commerce. Major tools for sales, which are inseparable from the web, will gain on relevance. e-Commerce deals will significantly grow; sales volumes are becoming comparable to brick and mortar sales performances. Internet saves a lot of time, saves money and offers wide range of available products. Internet has excluded geographical presence factor of traditional trade. The place of offer or the place of production is not important at all. To attract more customers, new strategy of e-marketing must be involved.

e-Commerce has been defined as sharing of business information, maintaining business relationships, and conducting business transactions by means of telecommunication networks.[8] The outcome of this alternative is very sensitive and dangerous for traditional producer. On one hand, there is vision of efficiency, cost savings and close interaction with customer to be gained. On the other hand, there is a threat for losing relationship with the contemporary channel of intermediaries, possible failure of the new distribution solution, and losing the trust of clients. Disintermediation is not avoidable for automotive industry and vehicle distribution as well; it is only matter of time and strategy of OEM's when it does happen.

Businesses and automotive business as well need to focus on e-commerce and e-marketing. Mobile technologies, social networks and web environment connect producer and customer closer to each other. This new user experience helps to connect closer producer to customers and gain their loyalty and relationship. Customer is a key value for each company and brand if the provided service to customer is outstanding. Consequently, customer will maintain close relationship to that business. Close relationship and knowledge of customer is the key success factor of each small or medium enterprise. Mass production changed this relationship for generations. IT technology also intensify gap between producer and customer by impersonal web page or direct mail.

The situation changed with social networks and with interactive virtual media. Consumer is in daily touch with service provider once again. Relationship is closer

[8] Shaw Michael J.(2006): E-Commerce and the Digital Economy, p. 47

and more interactive; thus client is involved in product creation as through direct supply chain. Producers are customizing the experience for every connection they have with their customer regardless of the channel. Mass personalization creates interaction between enterprise and customer as well as interaction of customers among each other. Companies can learn about customers by increased digital interaction on social media. Web pages, forums, mobile apps, tweets or videos are the tools for interaction. Virtual channels support traditional methods of communication and with ageing generations these methods will became even more important.

Digital interactions permit companies to analyze, capture, measure and exploit social interactions in new ways. Now, marketing methods are measured respectively. Business can customize every interaction. It is possible to establish a relationship according the past transactions and by using the context to move to interaction using better engagement and intimacy. Social media enabled consumer to have more options to express by likes, comments or recommendations.[9]

Digital marketing

If using web analytics, digital marketing is better evaluated. It is possible to segment target groups, understand behavior, predict demand and propose responsive offers. The key to efficient digital marketing is to recognizing customers across all channels, segments and locations. The added value is in the purchase, relationship building and retention. It is important to keep the momentum by monitoring the situation in real time and respond accordingly to changing consumer preferences in the field of interest.

Many automotive companies have not applied full potential of e-marketing and have not fully utilized statistical marketing methods to evaluate effectiveness of campaigns. Deeper customer understanding of behavior is the key element of future success. The automotive industry's digital approach focuses mainly on general customer demographics. Herein only static indicators are produced and predictive information is missing. The state of art e-marketing is about delivery of the most relevant content to the most important target group in the ideal time by the most effective distribution channel.

[9] Accenture(2013):Technology Vision 2013.
http://www.accenture.com/SiteCollectionDocuments/PDF/Accenture-Technology-Vision-2013.pdf

3.3.1 Manufacturer on-line

Internet enables manufacturer to communicate to customers directly. It was impossible in the past, since only the dedicated intermediary maintained and delivered contact with the customer. With new technologies available, manufacturer can reach customer directly and may receive direct feedback to react to customer needs or to influence customer's needs through customized communication.

Producer offers full range of information about vehicles and terms and conditions for the purchase. Better price may be offered as a special deal for determined time period. Since the relationship between manufacturer and distributor is not solved on virtual level, it is obvious that distributor delivers a vehicle to a customer and provides full aftersales service. Manufacturers' web-portal usually does not work as a sales engine; so far it is only an interface to convince customer's behavior and offer full range of required information. Based on the interest of customers, the demand is transferred to the dealer responsible for a given area of customer's presence.

The independent distribution managed by manufacturer without the dealer network is possible only with solved scenario, which would replace each step of consultative sales process. In the hypothetical case of exclusive virtual distribution channel, customers must renounce steps of consultative purchase and replace them with alternative solutions satisfying their needs.

3.3.2 Dealer on-line

It would be complementary for dealer's traditional sales methods to provide virtual distribution channel as well. Initial publications, on this matter, were published about 20 years ago, at the time of the Internet evolution. The Internet was change driver for many industries; therefore the idea of a virtual dealership and direct sales through the Internet is a relevant theme.[10]

Despite the arrival of the Internet, not much has changed in the automotive supply chain. Dealerships are still brick and mortar places, providing traditional sales and aftersales. Virtual communication via e-mails, chat or social networks are already existent in its place, as well as virtual configurators, and nevertheless this virtual dealership does not exist yet. The questionable point is, either if this type of virtual

[10] David J. Urban, George E. Hoffer, (1999): The virtual automotive dealership: is it time? Is it legal?, p.137

dealership has not existed due to the socio-economic potential of such a solution, or this solution has not reached such a potential at a consumer's level of satisfaction. The dealer is the face of a brand; it is the fundamental advantage of a traditional dealership to have a close and a direct relationship with a customer. Virtual dealership is not only the possibility of an available technology, but the readability and maturity of the society using full virtual service as well.

Since there will be one virtual interface for serving customer in place, and there will be renouncement of steps of consultative sales, then duplicity of an on-line manufacturer and dealer portals will be pointless. This is the point of disintermediation; there is no need for duplicity regarding virtual sales. Virtual sales do offer solution for direct distribution channel; therefore with the accomplishment of renounced points of traditional consultative sales processes, there might be no need for virtual dealer at all.

3.3.3 e-Broker on-line

Direct contact with customer is also covered through e-brokers, the cyber-intermediary. This sophisticated virtual e-commerce model is today mainly used for sales of used vehicles. Used vehicles are easy to find and easy to offer. This interface is currently the best model for this part of business. The portal generates supply and demand at one place. It is easy to reach and easy to compare with offers from all brands of vehicles.

E-Broker portals sell brand new vehicles as well. It is usually an incentive of the dealer to increase sales by losing part of own margin. Additionally, higher amount of volume brands operate in cooperation with this kind of business model.

4 Research

Research methodology, principles of research and interpretation of material generated by primary and secondary research are described in this chapter. To understand the scope of interest, different methods and sources were used. To understand the principles of market research, full introduction to field of research is made. There are many methods to be used; however only an optimal solution is the key to understand the market successfully.

Research in this thesis is made through combination of different methods and sources of required information. Every source has its own value in order to picture the general topic from different perspective. Results are generated and interpreted to understand the field of interest as much as possible, accordingly to accessibility of source of interest.

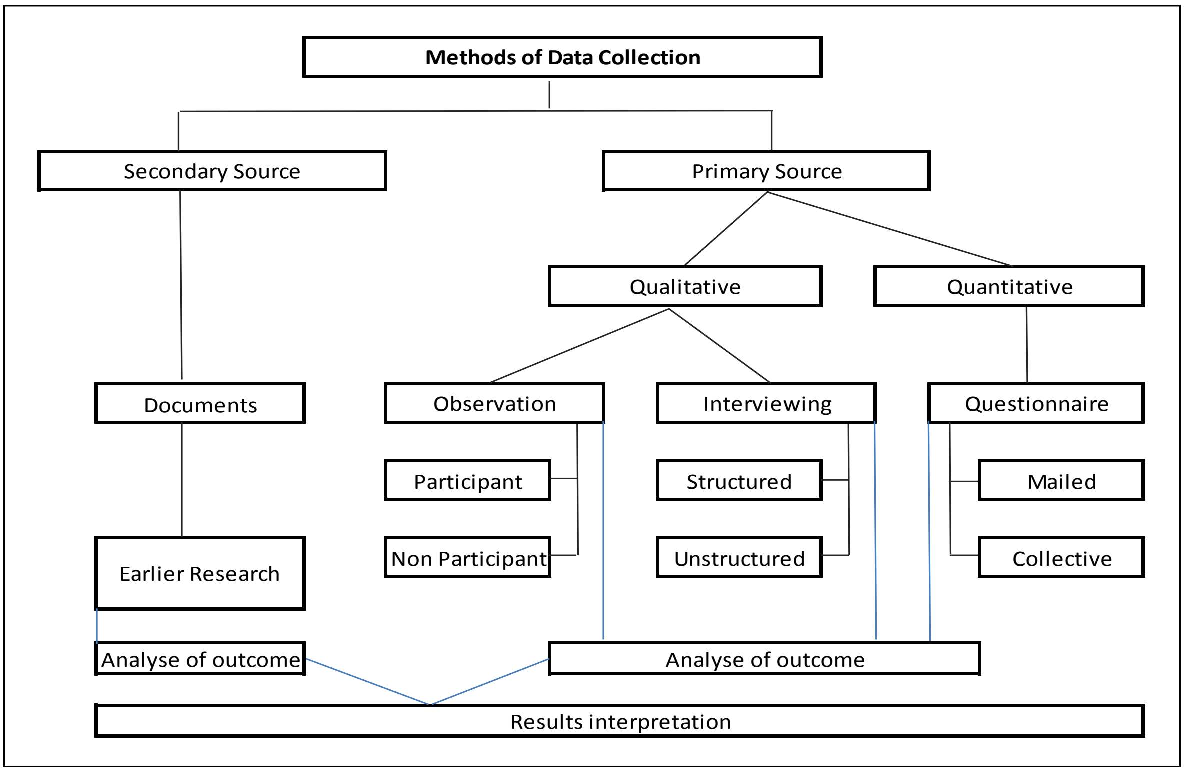
4.1 Methodology

Market research is a process of gathering, recording and analyzing data to identify opportunities, measure consumer behavior and attitudes in order to benchmark effectiveness of promotional programs. The goal of market research is to help the organization to achieve objectives providing fact-based analysis to find out what consumers want and how much money they are willing to spend. Market research enables the elimination of intuition and emotion from decision making process as well as reducing the business risk. The market research project should always start by defining the problem or opportunity to be studied, thus the key objectives and goals of the study need to be outlined. The goal of the market research is to figure out the choice of information sources, which are used to describe analyzed data in a relation to market trends.

There are two methods for conducting the market research:[11]

- Primary research
- Secondary research

[11] Paul Hague (2003): Market research, p. 33



Source: Kumar Ranjit (2005): Research Methodology, p. 118

Figure 5: Methods of data collection

4.1.1 Primary research

Primary research is used when specific information is needed about the organization's product, service, and about client satisfaction. Primary research techniques gather data through surveys such as telephone, mail, e-mail and websites; focus groups by conducting one on one interviews or group discussions. Research is also conducting by registration systems over the phone, web or software monitoring tools. In virtual world CRM technology tools are used to collect data from visitors to discover which part of website is visited the most and what is the reason of this behavior.

Primary research is divided to:

- Qualitative
- Quantitative

It is clear that by name of these methods one is based on quality and second on quantity. Therefore quality research is based on comprehension and understanding of a problem. The issue of this method is lack of measurement. Qualitative research use methods of clinical psychology, sociology and anthropology. Nature of this method is quality, so researcher makes research usually personally. Group of people collecting required data makes quantitative research. The group of 15 to 30 people may be the right sample group for qualitative research; of course it must be group of appropriate respondents.

Goodyear divided qualitative and quantitative research into four important reasons:[12]

1. Type of problem to be solved
2. Selection methods
3. Methods of data collection
4. Analytics approach

"Quantitative data is numerical in form – in the form of numbers. Questionnaires and structured interviews are the usual research methods. Some researchers claim that unless human behaviors can be expressed in numerical terms, it cannot be accurately measured." [13]

"Qualitative data covers a range of material from the descriptions of social life provided by participant observation and unstructured interviews to information from written sources, such as diaries, autobiographies and novels. Some researchers argue that qualitative data provides greater depth, a richer more detailed picture of social life."[14]

Methods of Qualitative research

Observation – observation is the most traditional qualitative method of research; it is used in situations when direct interviewing is not possible, for example for infant target group. Some situations are better analyzed by observation because in interviews may be deformed.

Focus groups – this methodology is used in qualitative research the most. In groups, the target group is more open to talk as well as participants somehow brainstorm all together. Participants by cross discussions are more involved and opened to deeper insight of a problem.

[12] Goodyear, Mary (1998). Qualitative Research. p.177
[13] Taylor, P., Richardson, J., Yeo, A., Marsh, I., Trobe, K., and Pilkington, A. (2008): Sociology in Focus, p. 632
[14] Taylor, P., Richardson, J., Yeo, A., Marsh, I., Trobe, K., and Pilkington, A. (2008): Sociology in Focus, p. 632

Interview – is unstructured face-to-face discussion to discover facts and ides of respondent. This methodology is used to discover sensitive information; respondents are able to talk full time without being disturbed. When topic is very sensitive, then projective technics of interviewer are used such as indirect question, unfinished story, symbolical analogy or fantasy.

Methods of Quantitative research

Measurement – is direct measurement of observed situation. In situations when outcome is measurable, this method is used; it is more precise if compared to questionnaire, because of the empirical base of calculation.

Questionnaire – is the basic quantitative tool of research. By structured questions with logical analogy, the questionnaire is made to discover customer preferences, behavior, or ideas. It is the most expensive method since qualified manpower is needed to attract the respondent and to recognize the essence of each reaction. Questionnaire must be set with sensitivity since formulation of questions and answers, as well as order of questions, may influence overall outcome of questionnaire.

4.1.2 Secondary research

Secondary research is used to collect data from existing sources. Marketer is responsible for filtering obtained data to fulfill the purpose and objectives of study. These sources are available over the Internet, at libraries, agencies, consultant companies and universities. The right selection of source and quality of data depends on experience of marketer. Secondary data are accessible to wide audience of clients and not always are this data fully suitable for the given field of interest.

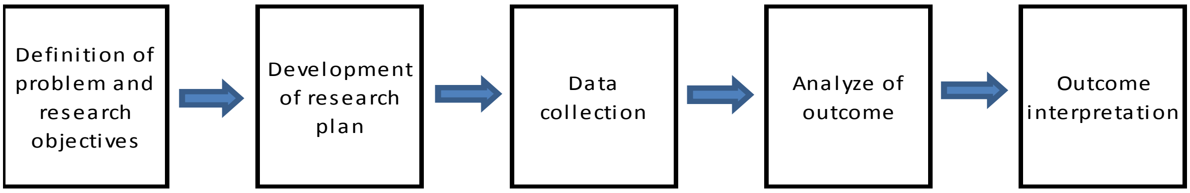
"Also known as desk research, secondary research is the most common research method employed in the industry today. It involves processing data that has already been collected by another party. With this form, researchers will consult previous studies and findings such as reports, press articles and previous market research projects in order to come to a conclusion. The relatively low expense in comparison to primary research is the main advantage of this research, as no new research needs to be commissioned. However, its main disadvantage is that the data used in the analysis may be outdated and therefore return inaccurate results. Furthermore,

previous studies may not have targeted the exact issue that the current research requires."[15]

The choice of a method is reflecting the amount of time available to conduct the research as well as the amount of money allocated for purpose of that research. The best option is to combine the primary and secondary methods of data gathering as it is in this presented thesis. Usually, there is not enough time and allocation of finances to do both.

The results of market research generate critical data to determine the overall strategy. Results determine the target audience and the potential for products and services. Results become the fundamentals for the market's strategy SWOT analysis. From SWOT analysis, marketing strategy is built to identify the most perspective target audience. Target audience is the base for setting the right marketing structure.

4.1.3 Process



Source: Hague Paul (2003): Market research, p. 12

Figure 6: Process of market research

Process of market research consists from five fundamental parts, which are connected in a sequence. To build up good research methodology each of these steps must be covered and outcome must be delivered to the next step in sequence.

- *Definition of problem and research objectives*

Definition of the problem must be outlined. The case of the study must be specified to understand the guidelines of the study. The problem must be specified correctly in order to be able to determine the goal of the research. Typically, there is a key problem to the study and there is neither general idea behind, nor any information

[15] DJS Research Ltd (2012): What is Secondary Research? http://www.marketresearchworld.net/content/view/810

about the problem in general. Clear vision on the problem helps to keep research focused and effective.

- *Development of research plan*

Once there is serious research objective, there is a clear idea on how to create a type of research, which obtains the required data. Market research method must be defined as a key point of the project. Target group must be defined, fulfillment of the research conducted, and final results reported with an expectation. The choice of a research is done by instruments, which tend to reflect an expected outcome of the research the best. There are 3 classifications to consider:

Exploratory research – form of research used when the topic is not defined and hypothesis is not well defined. This methodology helps to gain broad insights, diminish the focus and get deeper in to the problem. Common techniques for this qualitative form of research are primary research, interview and focus group.

Descriptive research – this form of research is also called statistical research. The goal of research is to describe and measure topics of interest in quantitative way. Survey is the most used method of descriptive research. Research is the exploration of the existing particular phenomena.

Causal research – is the most specific type of research, which is provided in the form of field experiment. Research is suitable for determination and explanations of a causal relationship between variables.

- *Data collection*

To collect data is the basic principle of the research and to accomplish this goal, the design of research must be outlined. Determination of research method of data collection is needed to find the most appropriate tool. With survey as the best tool to perform survey, a questionnaire with the structured questions must be done. Execution of the plan of research has to be specified to get overall idea of the procedure. Testing of the questionnaire or the method should be done to test the methodology and to avoid unexpected constraints of planned action.

Collecting of data stands for conducting interviews, running the focus groups, doing survey administration, or field test implementation. The answers, observations and results are being collected and recorded to spreadsheet form. By organizing the data sources the procedure of data evaluation and analysis can be performed.

- Analysis of outcome

Using the spreadsheet form of collected data a further analysis can be done. The right sorting and classification has to be accomplished for structured data sources to be evaluated. IT solutions for analyzing data are used to build tables and graphical outcomes, segment the results and evaluate the major trends identifiable in study. With this outcome, overall outlook is pictured and research is done for further interpretation.

- Outcome interpretation

With charts, tables and graphical tools compilation of findings can be presented. The real meaning of outcome can be interpreted with variability according to perspective of researched problem. Through the outcome, recommendations and prognosis are defined and described. Critical thinking will make research result understandable and meaningful, hence general idea about the research is delivered.

4.2 Introduction to research

There are 3 different parts of research. Every part of a survey is using different method and target area. To use the right method, it is important to picture the situation in the market with the most accessible way.

The beginning of the research is starting with a secondary research, by processing data that has already been collected by another party. This part is an introduction to research in a specific field of automotive virtual distribution methods. Secondary research is made on demand for Accenture for clients in automotive industry; it describes the situation and gives a general overview. To cover the concentration of this study, also primary research is needed to obtain necessary results for this study.

Qualitative method of primary research is used as an interview of respondents in personal way. This method is used to get closer to an area of interest and to use personal abilities in order to fill in the blanks of given answers. Personal contact is very important in area of interest, which is confidential, or sensitive in relation to own interest.

Quantitative method of primary research is made through a method of structured questionnaire with open and closed question. The right forms of questions influence the right answer of an asked question. The structure of questionnaire is composed in logical way, so there is a clear direction of questionnaire to deliver rational answers according to the topic of interest. The idea behind the survey is to get required data and evaluate them by using cross-evaluation and filtration of generated data. This approach helps to analyze dependencies among results collected by different questions and to pinpoint correlation of this data.

- *Sources of accessible data generated by consulting company*

"Coleman Parkes Research" conducted the consumer survey on the behalf of Accenture.[16] Survey was carried out on-line in August and September 2012 in 11 countries, the markets covered were Brazil, China, France, Germany, India, Indonesia, Italy, Japan, Malaysia, South Korea and the United States. Interviews were made with 13 000 drivers, between 18 and 65 years, who have a vehicle that is no older than 3 years.

- *Unstructured interview survey with brand country managers*

This type of interview is used when researcher has developed enough knowledge about a problem and the topic of its interest has a clear agenda. Agenda is open to further discussions to improve the understanding of the topic and to encourage the interviewer for deeper analysis of the problem.

This topic of interest is especially very sensitive to every top manager responsible for brand success in a dedicated area. Any kind of structured survey with designed questionnaire is not welcomed. All interviews are confident and anonymous since there is confidentiality involved. Sensitive area of everyday business is part of discussion and answers to questions are not always clear. Nevertheless, ideas and thoughts of many managers are collected and general overview of brand strategies is pictured.

- *Structured questionnaire survey at Moto Exhibition*

The key method in searching for the right channel option of distribution is to "Ask the customer!" Solution may be better evolutionary rather than revolutionary. Virtual methods are rapidly progressing, but the fundamental question and answer is

[16] Accenture(2012): Global Survey 2012. http://www.accenture.com/us-en/landing-pages/Documents/PDF/ACC_ADM_Survey_IG_20_12_2012.pdf

always primary focused to customers' preferences. To understand customer behavior, needs, preferences and motivations, a structured questionnaire is made to generate overall overview of dedicated target group in designed area.

Outcome from this survey explains the customer expectations, confirms or declines general behavior of vehicle manufacturers with their distribution channels and predicts overall strategy of vehicle distribution for the future.

All parts of distribution channel survey are important for general outcome. Worldwide survey made by consulting company helps to get better overall orientation in customer preferences. The outcome is not complete, since complex information is available only for clients who are willing to pay, for introduction and confirmation of common idea is this material just perfect. Also, not all questions of interest are covered, since focus of survey is oriented to different subject. Part of this survey was applicable to thesis research topic. Interviews with brand managers affirm or outline the direction of vehicle producers, thus other part of formula is complete as well, since world brand strategy must or should reflect officially presented customer expectations. In questionnaire survey, the customer expectations reflecting to distribution channel choice are analyzed with a focus on consumer, product, channel, and organizational determinants. Those parts altogether create a mosaic of channel choice optimization to fulfill the needs of a customer and create a frame of mind in automotive industry. The outcome reevaluates the potential for new distribution channel structure, reflecting a market expectation via phenomenon of the decade, which is called disintermediation.

4.3 Secondary research execution

4.3.1 Webchutrey Automotive Survey 2010

Webchutrey Automotive Survey in 2010 collected the following statistics. It is known that the potential of e-commerce is huge even in automotive industry. Customers rely on data founded on the Internet pages and it is the real origin of their interest. People spend more time being connected. Through the new mobile devices, it is possible to be connected even more; connectivity has become the part of our every-day life.[17]

- 89% of customers gain awareness of brands through digital channels

This obviously does not mean that there are no other channels of be informed about and to be connected to a brand. It is obvious that relevance of this channel gains strategic position in the field of indirect or direct communication with a customer regarding to the brand awareness. Strategy should focus on digital presence, using new methods of marketing and PR. In digital environment you have to apply the rule; "*On the web, you are what you publish*"[18]

- 72% of customers rely on digital word when selecting an automobile

Word of mouth is most important element in value evaluation of customer. Digital word is probably not that credible as real one but it has already relevance in building the brand awareness and influencing the shopping decision of customer. Blogs and chat rooms gained on relevancy and there are no marketers who can deny this significant impact of social media.

- 62% of customers visit consumers review sites frequently, which impact their purchase decision

Social networks and virtual communities are strategically important in creating the opinion of audience. Independent conviction and believe of virtual friend is relevant piece of information creating awareness of customer. Community of bloggers, reviewers and those who comment on random questions are increasing daily. Through the Internet, public opinion is public again, and the importance of anonymous friend form virtual world influences the final purchase decision.

- 44% of customers make a purchase decision prior to visiting offline dealer

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[17] KPMG (2012): Global Automotive Executive Survey 2012. http://www.kpmg.com/GE/en/IssuesAndInsights/ArticlesPublications/Documents/Global-automotive-executive-survey-2012.pdf

[18] David Meerman Scott (2009): The New Rules of Marketing and PR., p. 43

Customer decides to visit 2 or 3 places to satisfy his needs. The preparatory research of interest for a vehicle is made virtually. Web pages, social media, presentations, videos, forums, blogs etc. are visited to get general overview on the field of interest. It is up to the qualified sales force to attract the customer. Now, it is not about the product; it is the feeling behind it and the relationship between a client and a consultant.

4.3.2 Accenture Automotive Survey 2012

Accenture consulting company made research. Survey was carried out on-line in August and September 2012 in 11 countries. The markets covered were Brazil, China, France, Germany, India, Indonesia, Italy, Japan, Malaysia, South Korea and the United States. Interviews were made with 13 000 drivers, between 18 and 65 years, who have a vehicle that is no older than 3 years.[19]

Integrated digital marketing experience

Consumers would like to have a choice of better-customized on-line experience. With customized e-marketing, car-buying process would be faster. On-line innovations are key points for the future success of the industry. To keep the interest of customer while browsing and do not disturb at the same time should be the task for upcoming period. Connectivity and virtual environment customized by browsing device is a requirement of upcoming generation. Customer preferences are changing and the industry must reflect accordingly to this needs.

- 86% would like to have more intuitive, customized content available

A common customer who browses on the Internet demands customized content. The systems are already able to identify customer preferences by analyzing clients browsing behavior, hence reflecting the focus on customer's interest. IT tools using the social determinant model are able to analyze locality, interests, or preferences of a browsing customer. For customized content it is critical to not disturb customer by random ads or unpleasant marketing. The aim is to attract attention of customer by pinpointed and relevant offer.

- 76% would like to have a process that will enable to obtain more simplified information on-line

[19] Accenture(2012): Global Survey 2012. http://www.accenture.com/us-en/landing-pages/Documents/PDF/ACC_ADM_Survey_IG_20_12_2012.pdf

It is not always easy task to access all the required data. Browsing was a fundamental part of the Internet since the beginning, but users' preferences are obviously changing. To collect all the necessary information it takes time and nowadays, the availability for quick and easy accessibility of required data is a want. Aggregation of data at one place is as important as it was written in statistical statement. To obtain more simplified information, it is a matter of the web environment architecture and the generated content.

- 62% would like the comparison process to be simplified

The process of comparison should not be a problem according to technical standards. It is a marketing strategy to not be able to compare similar products. Differentiation of a product is the principal part of a product development. It should not be possible to compare almost the same product when applying marketing strategy of a manufacturer. It is very difficult to allocate all he features of comparison to the right segment; nevertheless, tools to compare are required by customers, so supplier must reflect upon it.

Communication

Content of virtual communication has to be seamless; otherwise, consumer may go to different field of interest. Content must be variable in order to offer to each visitor a different shopping experience. Producers must provide an end-to-end purchase capability on-line. Carmakers should consider digital technologies to create a Virtual Dealership.

- 92% visit at least six webpages before making purchase of a vehicle

The customer reviews an offer on-line. Browsing, searching, comparing is the principle of on-line purchasing. There is still a need to visit the brick and mortar store in order to finalize the purchase, but the pre-screening phase is done virtually. According to this statistic, it is a high percentage of customers visiting at least six websites. Consequently, customers visit only two to three dealerships to make the final conclusion of buying a vehicle. An attractive and complex web site is a must to attract customer's attention and convince him or her to make a purchase.

- 69% turn to a traditional off-line media for information to make a decision

There is still a need for a traditional media to gain information. This need is constantly decreasing and the need for traditional off-line media is substituted by the presence of the Internet with its on-line media. It is probably a matter of time and the upcoming generations until there will be a different need for traditional media to convince customer to make the final decision.

Customer experience

- 97% want transparent pricing to expedite the purchase process

It is a high percentage of customers asking for transparent pricing. It is known that those pricing methods are suitable for traditional distribution approaches. With the Internet those methods have changed. Transparency in pricing, caused by easy browsing and accessibility of web page, is the philosophy of on-line shopping. Customers would like to have this problem solved generally, not only in virtual interface. Most recent customers making purchases demand clear pricing with clear conditions and transparent comparison of offer.

- 61% want to have it simplified to configure a vehicle

Configurators are the answer to customer's needs for reaching simplified information on-line. An effective configurator is a topic of manufacturer's focus of interest. It is required by customers to have the easiest way to configure a vehicle because a complex offer is often hard to understand and it requires a trained sales consultant to resolve any issues with it. It is difficult to say, whether this is aimed strategy or business model of company to make it purposely complex. The goal of every manufacturer should be to make the configuration easy to understand and easy to use because risk of losing customer over the Internet is big due to easiness of the switch to another offer.

- 54% would welcome more mobile-enabled websites

There is already high penetration of smart-phones with ability to connect by cellular data services or Wi-Fi connectivity. This technology enables customers to connect anytime they desire. Easy access and mobile-friendly environment has to be delivered accordingly reflecting on customer's requirements. Connectivity by mobile-device is used to cover short time blocks of customer's time to reach required information. It is considered as a waste of time if the required information cannot be reached in the easiest way.

- 86% would like to have the ability to compare additional options with the same automaker's product line

IT department of each manufacturer should easily cover this hint. It is the problem of marketing department not to be able to identify the need of a customer, the need to cross-compare different carlines. It is relatively high percentage of customers that require this modularity of configurator, hence manufacturer should reflect upon this need.

- 90% would like to more integrate dealer sites and inventory search engine

Customers are not interested only to product specification and price, but to the availability of a product as well. Available stock is a key for a dealer to attract the customer. From dealer's point of view of a web site, it is normal to have in dealerships only a list of vehicles available locally. General search engine causes loss of customers because it transfers them to different dealers with desired available vehicle. Dealer would lose the ability to convince the customer to buy an offered vehicle from available stock. This problem should be solved through general manufacturer web page with configurator interface, pricing and vehicle search engine.

Digital marketing sites

The customer experience will be digital. OEMs need to connect digital message with the customer preferences. Manufacturers need to focus not only to macroeconomic pressures; manufacturers need to differentiate distribution strategy as well. Automotive industry significantly lacks with the use of digital media tools and other e-marketing methods if compared to other industries. Interactive digital e-marketing, which uses social media, web sites, search engines or configurators is the only option for industry to keep the pace with customer requirements.

- 83% agree that tuned digital media would reduce the time until purchase decision

Digital media are known as the time savers. The question is, weather this time saving is needed to close the purchase decision. Even if the purchase decision is made, timeframe of purchase execution is dependent on other features. The general statement could be made, even if digital media would reduce the time until the purchase decision it would not influence the final purchase execution.

- 82% thinks that the automotive industry significantly lacks with the use of digital media tools and other e-marketing methods when compared to other industries

This statement of respondents reflects the general situation in the on-line market. Automotive industry is behind other industries; however not every industry is eligible for such a tool. The purchase of vehicle is a traditional process, the second most important purchase in lifetime. Usually people in productive age are eligible to execute vehicle purchase. Additionally, the older the customer the less digital methods are needed. Nevertheless, exceptions are always present.

- 87% believe that interactive digital marketing is the only option for auto industry

Interactive digital marketing is the only option for sure, since exchange of generations will cause this desire to be even more significant. It must be a smooth and continual process of transformation to not lose the leaving generation with parity on one hand, and to attract the next generation on the other hand. It is the task for general management to apply this change in communication and distribution with innovative focus to the existent strategy.

Key influencers of buying decision

Equal weight across the board:

- 53% Manufacturer sites
- 60% Recommendations of friends and colleagues
- 58% Advice from family
- 49% Social media

With these results it is easy to make a general statement about source of data in process of vehicle purchase. The most important message is that family with friends and virtual interface are the key sources of buying decision. Since family and friends are very traditional, as a source of trust, influencing this group of people is slow and it is a continual process. Therefore, it is important to focus the interest on virtual communication and the presence of social media.

Social media closely connect groups such as friends, colleagues and family. With indirect methodology of influence, the aim is to influence through social media the mentioned target groups and persuaded target groups would forward those influenced and adopted ideas to subjects of interest.

4.3.3 Conclusion of secondary research

After analysis of survey results, it is understood that need for e-commerce is inevitable. Customers already ask for virtual methods of vehicle purchase. The process of decision-making is divided into several steps and virtual tools already cover many of them. There is no need for a personal contact in the process of decision-making while solving every issue.

Customers already do gain awareness of brands through digital channels and let marketers influence their opinions via virtual channels. Customers discuss and share opinions virtually and make those statements public, that customers rely on digital word of mouth when selecting an automobile brand. Customers visit consumer review sites frequently, which impact their purchase decision. The final decision is sometimes made before paying a visit of offline dealer. There is a need for more intuitive and customized content, available with simplified comparison process. The Internet websites are visited before the purchase of a vehicle, so the general knowledge of a product, price level and competitors are clear. More simplified and productive vehicle configurators are required in order for process of purchase to be easier and transparent. With innovative mobile devices such as smartphones and tablets, mobile-enabled websites are more than welcome.

Customers think that the automotive industry significantly lacks with the use of digital media tools and other e-marketing methods comparing to other industries. The general opinion recommends that interactive digital marketing is the only option for auto industry. The process of change has to be continual since not every generation is fully capable using devices with modern applications. Forthcoming generations are ready for modern innovative tools and options, so change in purchase methodology is real, thus vehicle distribution must reflect upon it.

4.4 Primary qualitative research - unstructured interviews with brand managers

Unstructured in-depth interviews were made with mangers from representative offices of automobile brands. Country managers, marketing managers, and business development managers discuss the future prognosis accordingly to their own opinion and company strategy. Since the topic of disintermediation is very sensitive and confidential issue, the promise to not mention any name and company was guaranteed. Interviews with 11 brand representatives were performed to find out the situation about possible strategy suitable for dealer network, company restructuring and e-commerce. The questions were not formulated the same way for all interviews, so cross comparison of answers is not applicable. Every discussion was different and there is a different outcome from each interview. Listening and observation of non-verbal communication made the general overview. According to the specialization of respondents and their open-minded attitude, a deeper insight to the topic would be possible. Not every respondent is opened to talk about these sensitive topics of strategic future development of their own employer, because the interviewer is not just a student, but manager from interviewers' competitor as well.

4.4.1 Restructuring and optimization of organizational structure

Pressure to optimize the organizational structure is present supported by two significant reasons. It is the cutting down the operational expenses and implementing IT solutions. Operational expenses of representation offices and headquarters are relatively high. The pressure to decrease contribution margin and the market stagnation causes the need for new, more effective structure, with tuned processes implemented. Doubled management positions made to double-check the decisions were created by historical genesis, or due to the fact that profitable area of industry was able to absorb any kind of overpaid positions. With the stagnation of the market and with troubles insight the financial management of OEMs, the optimization is a must for everyday business.

Different structure of staff responsible for entrusted territory takes place in daily operations of many brands. It is normal procedure that less people are responsible for a designed area with more workload. Local representative offices are mostly closed, having manpower operating from home offices. It is a solution to cut huge expenses of leased offices in the most lucrative business or city centers of capital cities of represented country. With the new IT solutions and systems, the company is able to manage area of responsibility with less managers and specialists in place. There are systems in place able to monitor standards, performances and services of business partners, such as dealers in dealer network. For ad-hoc control of standards, compliance supply services and external companies are cheaper solutions for solving the requested work tasks. Doubled responsibilities or extension of responsibilities are done to increase performance of employees to cover more workload than it used to be in past times.

Moreover, changes in sales and in marketing strategy influenced the headcount of distributors along with their distribution network. Simplified campaigns with understandable conditions are communicated to wide audience not only by dealer network but web pages as well. Web page helps to simplify the process of purchase to customer, so no additional help from importer’s consultants is needed. Universal marketing campaigns are adjusted to local conditions but precise customization is not needed. Globalization implemented global campaigns to local audience with global preferences. Pull distribution strategy coupled with pull production require different methodology of marketing and distribution service, so customer has to rely on innovative conditions as a trade off for additional features or price advantage.

4.4.2 Virtual interface

Web presence of any company is a must for daily operations. As it was mentioned in secondary research, customers already gain awareness about brands through digital channels and let marketers influence their opinion via virtual channels. Customers discuss and share opinions virtually and make this statement obvious; customers rely on digital environment when selecting an automobile. Customers visit consumer review sites frequently, which impact their purchase decision.

Every company is familiar with the general situation in virtual interface. Significance of this topic is perceived differently. The position of each company is dependent on the top manager responsible for the general strategy. A general statement could be made; the older the manager is the less significant this way of operations is appertained. The phenomenon of these days is social networks, e-commerce and virtual media channels.

e-Commerce is contemporary and many people already take advantage of on-line shopping. Brick and mortar stores are used to test and try products and final purchase is done via virtual interface with virtual payments. This way expenses stay with brick and mortar places and margin goes to virtual stores. Situation is similar in vehicle distribution where price and product is reviewed, compared and searched, whereas at brick and mortar dealership it is used only to negotiate price and receive the lowest price possible. With pressure cause by the market, dealers are pushed to minimize margins while operational and fixed expenses remain the same.

With virtual media channels, blogs, forums and fan pages, any customer may reach almost any kind of relevant information. It is just a matter of time and interest to reach valid data to get an overall idea about the vehicle or product. Sometimes customer is professionally capable to search for required data and gain knowledge about the product. Product knowledge of customer is sometimes broader than knowledge of trained consultant localized at brick and mortar dealership. It is due to the decreased contribution margins through which dealer operator cannot afford better skilled sales force. Then the rat race starts when the under qualified consultant does not know how to attract the customer, thus he or she provides chances for someone else next door. Consequently there is even less contribution margin for affected dealer.

Virtual configurators are important to serve the customer's interest with the most accurate visualization. Visualization of a vehicle with optional trims and colors are offered to a customer to get the first impression of a vehicle, since pre-search is made virtually. Also dealer located configurators are planned to increase customer's experience and solve the situation with the option availability of showroom vehicles. The configurator offering a high tech outstanding experience will be the solution for showroom located in the area of customers' presence such as in shopping or city centers. The aftersales or test fleets will be located in the suburb of cities.

4.4.3 Existence of dealer distribution network

The topic about the existence of dealer networks is the most sensitive one. The idea of distribution system without dealers gives an outlook about a situation where there would be no dealer network, thus there would be no need for a wholesaler as well. Wholesale company, in fact, is the employer of every interviewed manager.

Reactions are offensive and discussion on this topic not welcomed. General statement could be interpreted again: the older the manager the more offensive is the reaction.

Traditional idea of distribution strategy is rigid and any other ideas in correlation with world megatrends are not welcomed. The main idea behind that old trend is the customer's experience and the personal contact with a consultant that is being the face of transaction and the first emergency contact given by dealership. Customer relationship with a dealership is the key to a customer's satisfaction and to the customer's repeated purchase in the future. On one hand there is an opinion on the decreased quality of sales force, on the other hand there is a general opinion on outstanding importance of relationship between consultant and customer.

The common discussion is about an absolute need for aftersales departments. Aftersales are services with high added value, without the possibility of being replaced by any other methodology. The importance of this kind of outlets is clear and impossible to be questioned. Modularity and system solutions changed the principles of aftersales but the qualification of technician is an indisputable necessity.

For the customer it is irreplaceable advantage of brick and mortar outlet to touch and test the vehicle and its personally. This essential part of the traditional sales methodology is substantial to decision-making process. The idea of replacing traditional methods of trying, feeling, touching and testing a vehicle by other options is not accepted or doubted. Activities such as exhibitions or roadshows are used to present features of vehicle and replacement alternatives of this method are insufficient to fully cover customers' expectations.

The buyback of used vehicles in the new process of purchasing new vehicle is not resolved. Full service to customers cannot be offered since through virtual sales processes there is not yet a possible option. There has to be another specialized enterprise involved or traditional outlet visited by customers for this purpose.

In many countries the on-line shopping of vehicles is already present. Usually it is a vehicle configurator building the vehicle accordingly to client's preferences. When vehicle is configured then the customer is looking for price offer and the availability of the configured car. Afterward, the system finds the nearest dealership, which accordingly provides the set up vehicle by the customer, through recorded area postal code or address of the client. Next at the dealership are dedicated specialists focusing on on-line purchases, through online tools, convincing customers to visit the dealership. Consequently they steer the customers to let sales force at the dealership to finish the deal. The methodology of communication is intended not to drop any kind of interest once the contact information of a customer and his or her interest are provided.

4.5 Primary quantitative research - questionnaire results

Quantitative research was made at Bratislava Moto-show, which takes place every year in the capital city of Slovakia. Thousands of visitors are coming to see expositions of automotive brands with launched brand new models. This event is not just about vehicle expositions but it is about sales of new vehicles also, since importers are usually introducing special offers during the exhibition.

According to the lecture of Stanford University professor Seba, the most important part in process of channel selection is the use of three magic words: “Ask your customer”. With the knowledge from pre-reading and with the stated hypothesis, there is a need to find out what is the actual situation in the market and what are the regional preferences of consumers pointed by the vehicle purchase as well as the process of decision making.

4.5.1 Structure of questionnaire

The questionnaire was made to cover five topics: demographics, purchasing focus, usage of Internet, on-line purchasing and mobility approach. With this structured topics it is possible to confirm the representative sample of the survey and find out general trends of customer preferences.

The creation of questionnaire is complex process because many different rules must be fulfilled. Maximum 2 pages must cover the questionnaire, so respondent will not have a first impression of time pressure. Also the timeframe of one questioned sample must be accomplished within maximum of five minutes. In process of searching for respondents, sometimes even 3 minutes of respondent time is assumed as too much. The first question has to be set carefully in order to attract the respondent with a keen first impression to continue with the survey.

Questions are sometimes not easy to follow or to understand by average respondents. A test period with few random respondents must be performed to try the functionality of structure, the ability to follow up the questions, and the logical frame of the survey. Therefore, the question that requires ranking answer options accordingly to given relevancy is avoided. This type of question is time consuming and uncomfortable for respondents.

To guarantee easy flow of questionnaires and clear understanding of questions or answers, the interviewer accompanies the survey, so results are clear and outcome befitting required standard. Also searching for the right respondent is not an easy task, because not every visitor at the exhibition is willing to invest five minutes of his or her time to the interviewer.

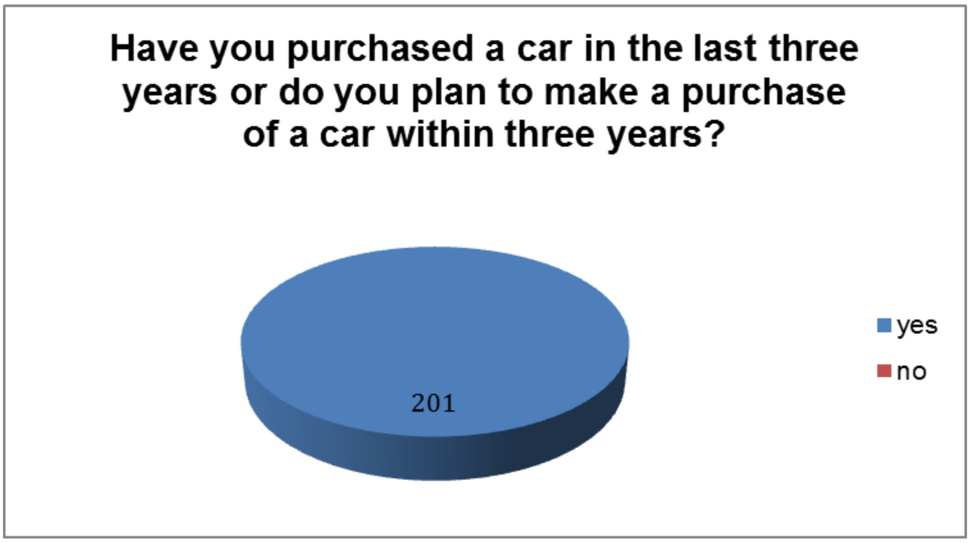
The primary goal for data collection was to interview 40 respondents each day at the exhibition, so the general conclusion counts with 200 samples. To not waste the respondents' time and to get only required data the question regarding a purchase of vehicle in last 3 years or upcoming 3 years separates respondents to final group of interest. With a positive statement to this question full questionnaire is executed, with negative statement the respondent is excluded. Obviously not every day offers the same chances; therefore some days are with less respondents and other with more.

During the process of survey execution the question regarding the on-line purchasing of vehicle was answered with a consistent trend. Afterward, the idea for customization of the original version of questionnaire appeared essential by adding one extra question that would correctly interpret the required outcome. This question is: "If the car brand of you choice, chosen over the Internet, would organize frequent car shows and test drives, could you imagine to make online purchase then? " The result of this question finally helped to get an overall idea about customers' expectations and preferences.

4.5.2 Demographic structure

The demographic information is needed to get an overall picture about respondents in the survey. Any kind of deviation comparing to different results is always connected to respondent structure, so causality is identifiable and easy to follow.

The structure of respondents is mainly influenced by generally selecting respondents based on the question's approach to the purchased or planned purchase of vehicle within the period of three years. With a positive statement to this question full questionnaire is executed, with negative statement the respondent is excluded. Only respondents with a real idea about a decision-making process and a purchase behavior can be the right respondents for discovering megatrends in customers' behavior. The final count of survey samples is 201 respondents.



Source: Author

Figure 7: The purchase of a vehicle in the last three years or planned purchase within three years

According to this condition the split of genders is divided. It is natural that mainly male population makes decision-making or purchasing of vehicle. Moreover, the interest in vehicles is often natural to male population.

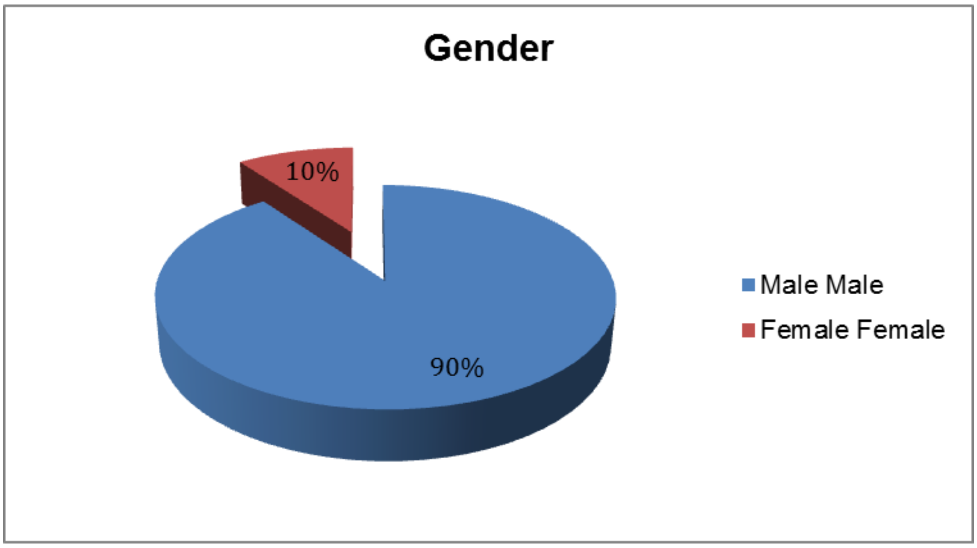


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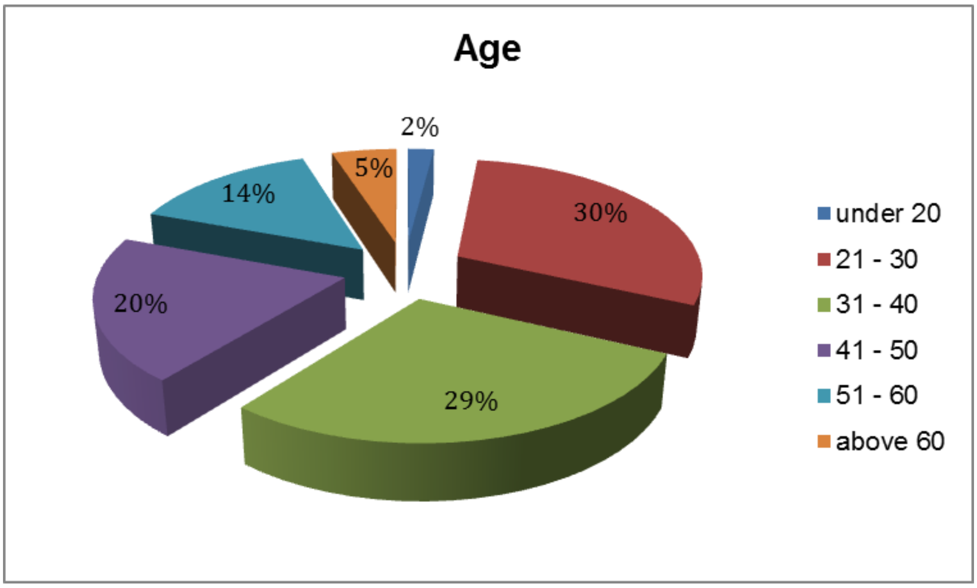
Figure 8: Gender

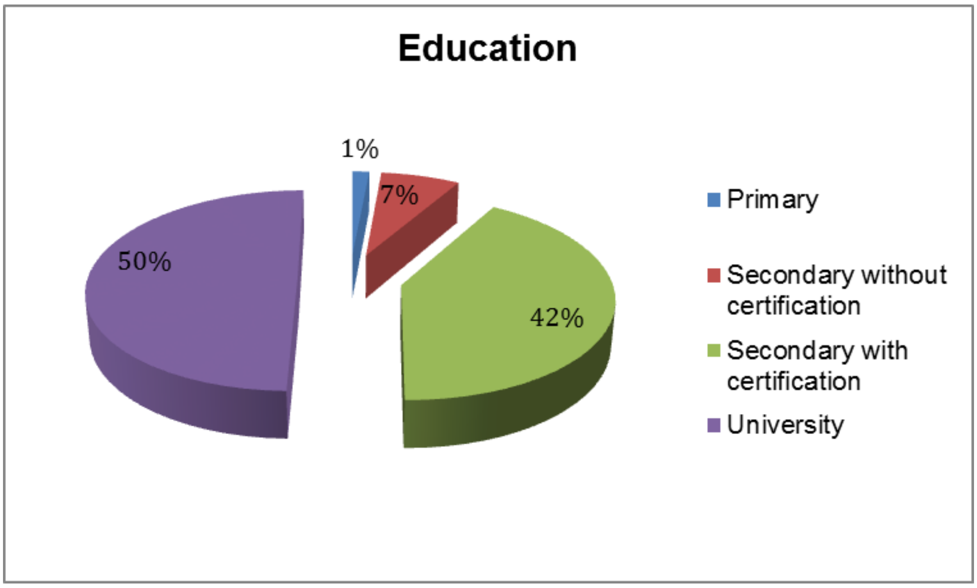
The age of respondents is critical part of the analysis' outcome, since the idea of generational trends is part of thesis' hypothesis statement. With age differentiations it is possible to find correlations between different perceptions.



Source: Author

Figure 9: Age

The education split is also influenced by socio-economic factors, due which people with better education usually receive better income and can afford to buy vehicle more often. Educational background is needed to track customer preferences based on reached educational degree. There must be said that people with university degree are more enthusiastic to reply to student survey for Master thesis because they were in this situation of working on a thesis as well.

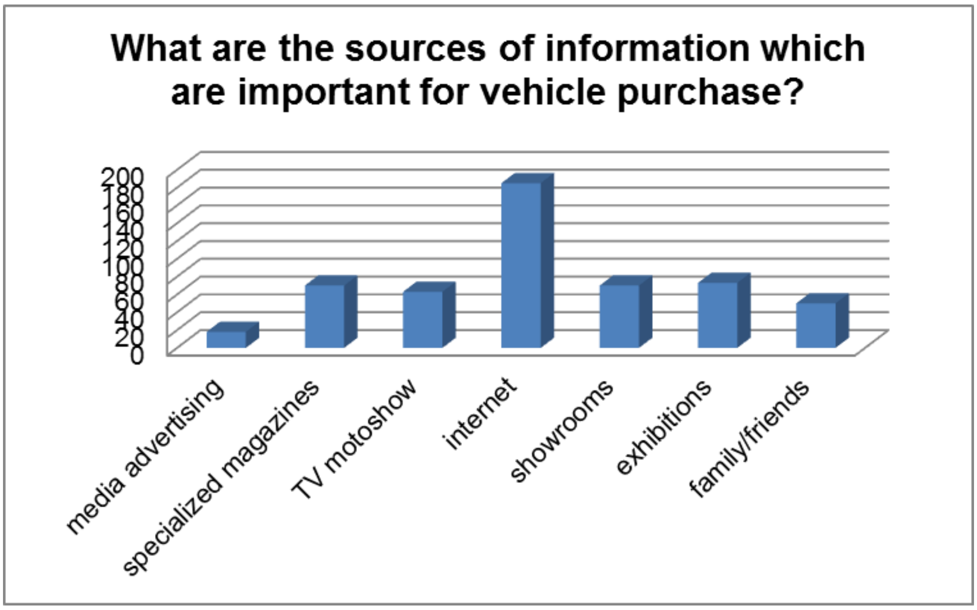


Source: Author

Figure 10: Education

4.5.3 Relevance of the Internet as a source of information

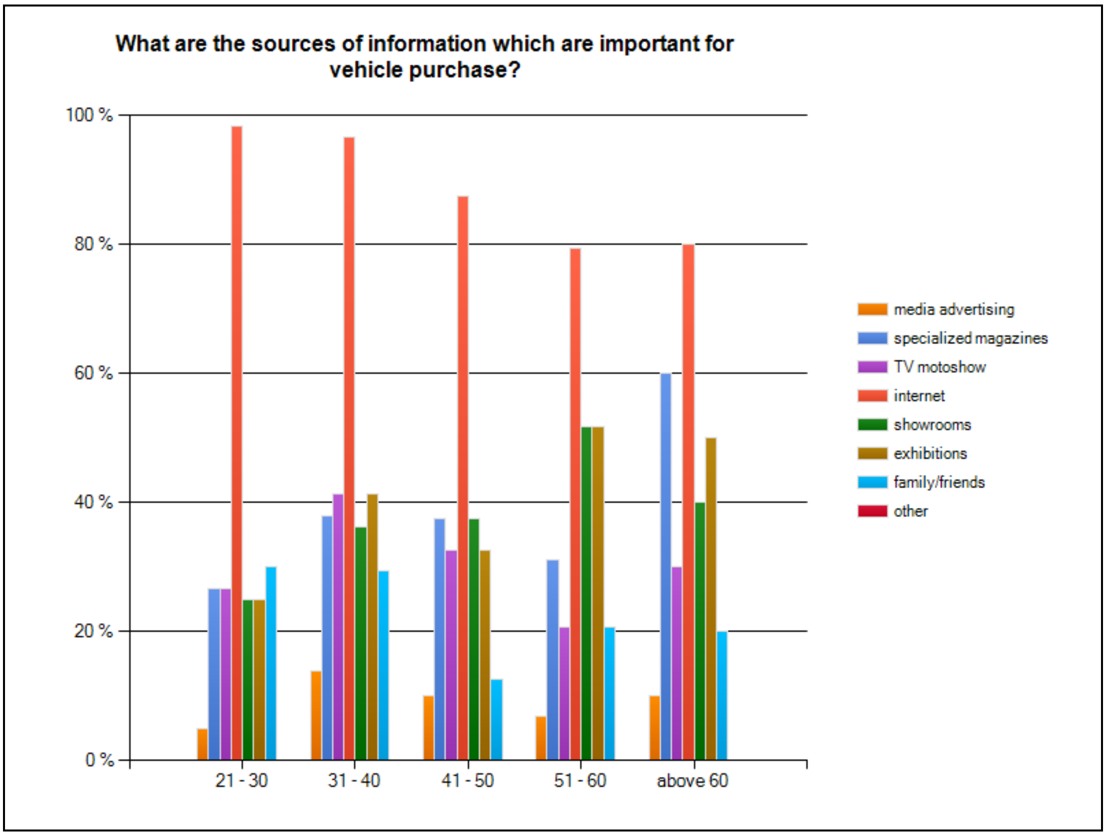
The source of information important for vehicle purchase has significantly changed. The majority of information is gained through the Internet based channels, such web pages, social media, virtual magazines, and forums. Other sources are used as well, but the absolute significance of the Internet based channels of communication is obvious. Result of this question is made as a sum of total responses. The respondent could circle one or all options offered as a source of information, which are important for vehicle purchase. Relevance of any other source is more or less on equal but the Internet's position is outstanding.



Source: Author

Figure 11: Importance of different sources in purchasing of vehicle

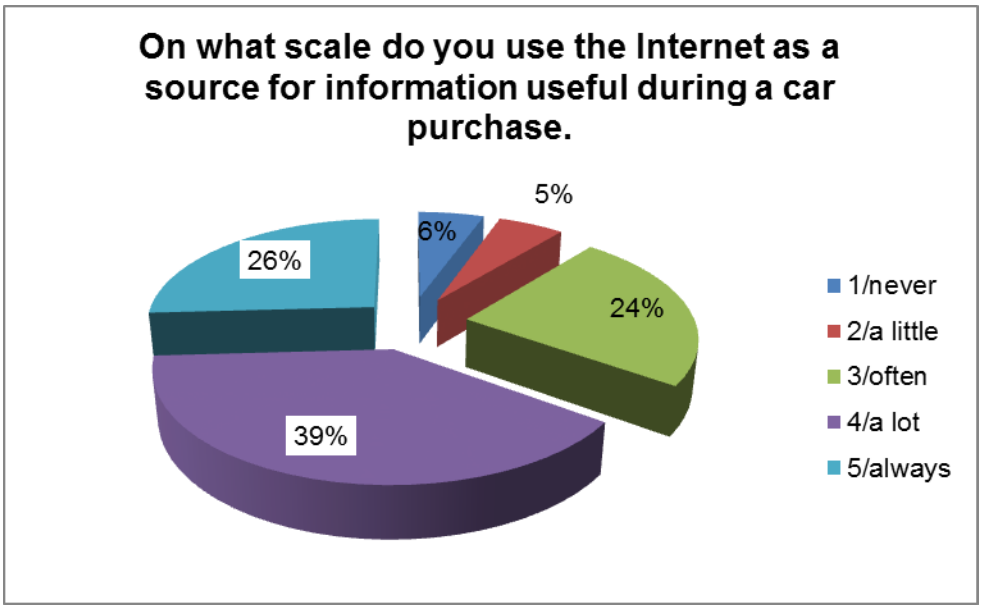
The cross-study between age distribution and sources of information important for vehicle purchase showed simple outcome. The Internet as a source for information is more important for younger generations. The older the respondents are the more other sources of expertise are used. Generations of customers have different preferences when reflecting upon sources for their decision-making. Older generations are oriented mostly to traditional sources. Despite of it the Internet is still the most relevant one.



Source: Author

Figure 12: Source of information by Age distribution

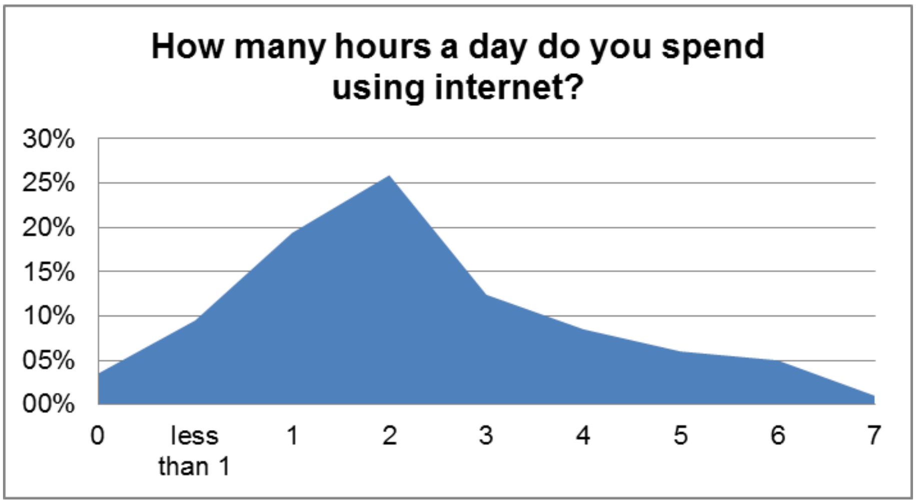
The next step to discover is the absolute dominance of the Internet through a question about the scale of importance. How respondents see their relationship to the Internet as a source of information is ranked on a scale from one to five. One stands for no use at all and five is considered as an exclusive unique source. From the results it is clear that most of respondents see the Internet as a very important source and 65% of respondents ranked their relationship to the Internet with rank four and higher. The dominance of the Internet as a tool for decision-making and as information aggregator is clear and unavoidable.



Source: Author

Figure 13: Internet as a source of information for vehicle purchasing

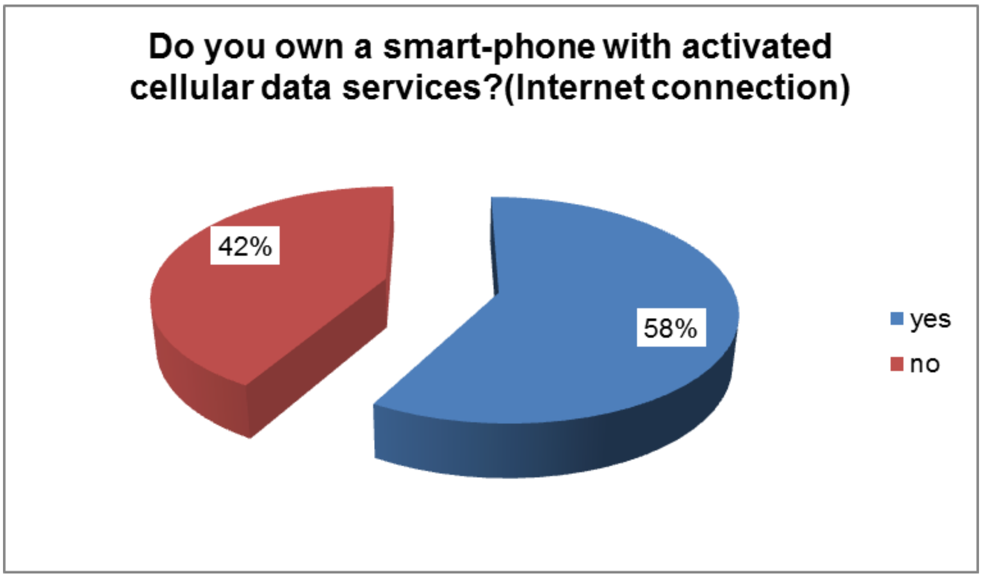
Most of respondents spend browsing on the Internet about two hours a day. The distribution of hours spent on the Internet is pictured in graphical layout. Some deviation appeared due to the people spending more hours on the Internet. They are not listed, because we can usually define those people as an IT manpower using the Internet as a work tool for daily business operations. Two hours a day spent browsing on the Internet is a huge number, thus virtual marketing activities are more than a must. The question was not about being connected to the Internet, it was about active time spent using the Internet. Customized content offered to targeted audience is the answer on how to be more effective in virtual communication.



Source: Author

Figure 14: Hours daily spent using the Internet

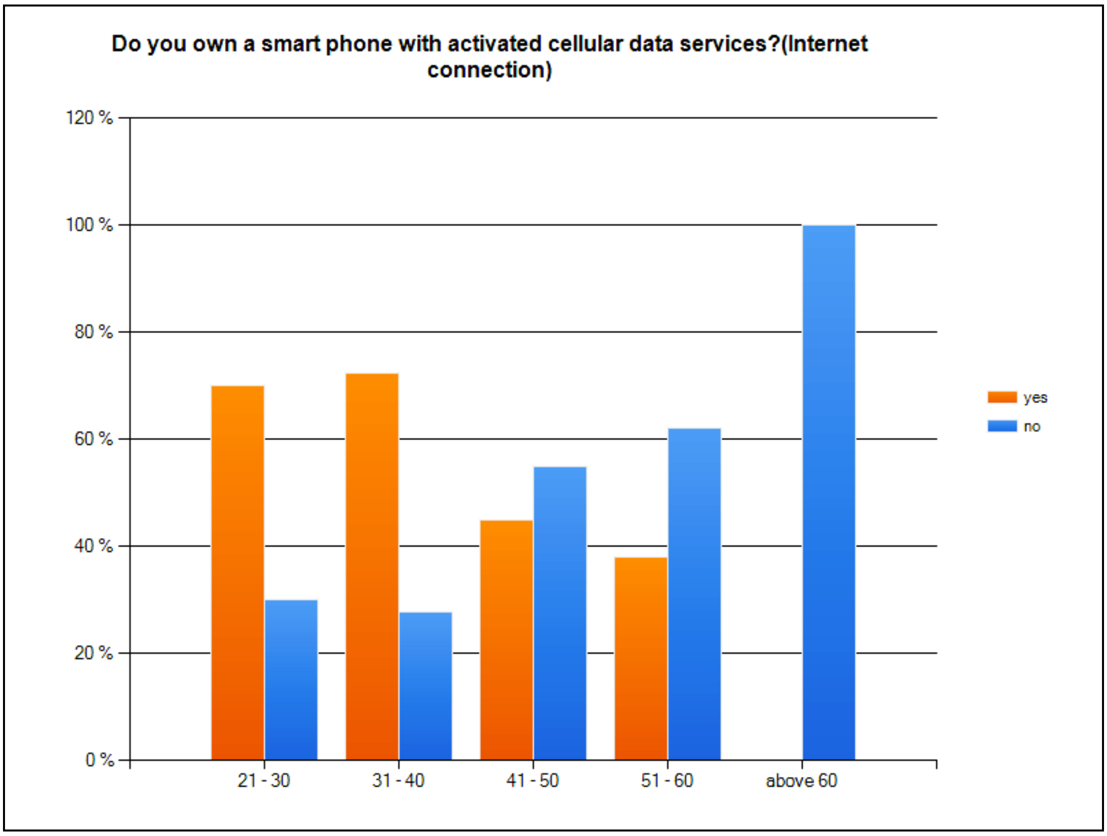
The reason for so much time spent using The Internet and being connected is probably sue to the existence of mobile devices with a functionality to be connected non-stop with browsing any time it is needed. This is also surprising that 58% of respondents own and use a smart-phone, or a mobile device with an active data service. Customized and mobile-enabled web-site are needed to offer the customer the option to browse, using the mobile-device easily with unneeded disturbance any time it is required.



Source: Author

Figure 15: Smart-phone penetration

From graphical distribution hereunder it is visible that ownership and use of smartphones is predominant at an age spread from 20 to 40 years old and from the age of 40 and above more individuals are without a mobile device with activated Internet connectivity. It is understandable that connectivity and modern devices are mostly privileged by generation Y and Net-genres.



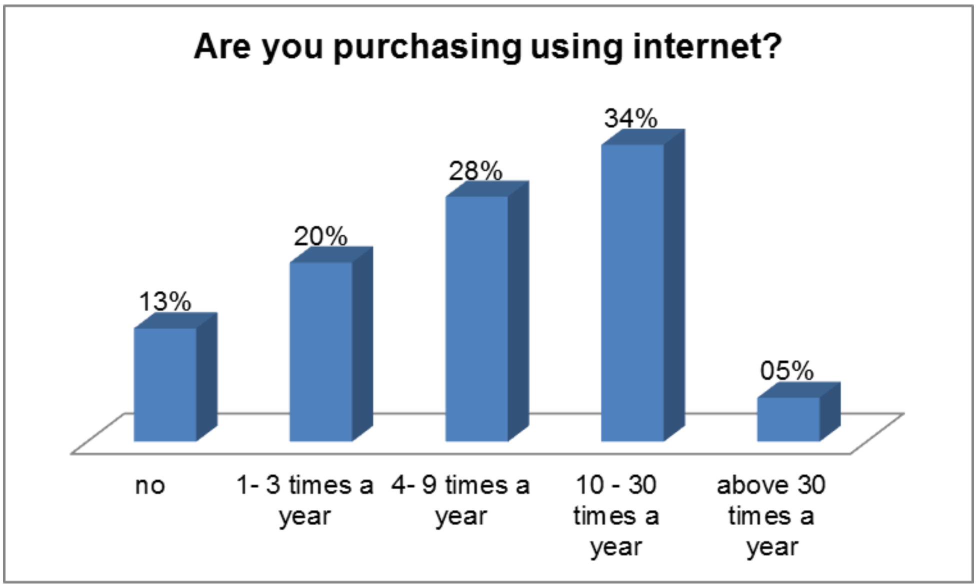
Source: Author

Figure 16: Smart-phone penetration by Age distribution

4.5.4 Direct distribution channel

Direct distribution channel is a straight connection between manufacturer and customer. To make this connection possible the virtual interface is needed. Direct form of distribution was not always possible since barriers regarding to the distance and information flow blocked this possibility. With the Internet, new alternatives appeared and with e-marketing direct forms of product distribution upraised as well.

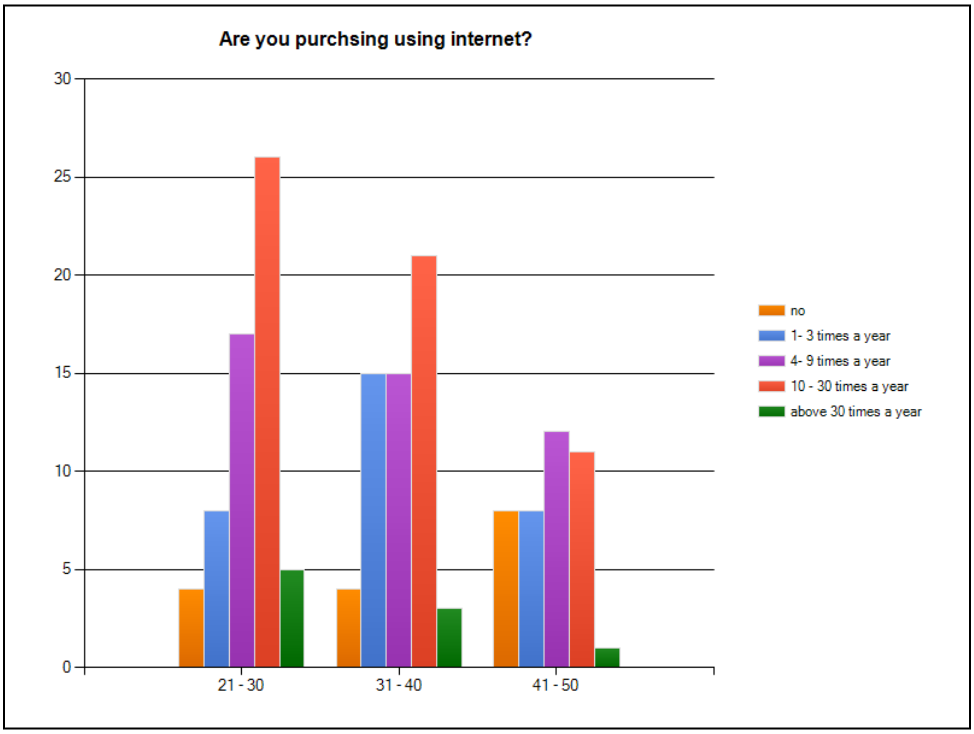
General answer on question on how this market already works has to be answered by customer's behavior and preferences according to on-line shopping. Many users are closer to a virtual market by various devices using the general connectivity to the global network. Also web pages are more user-friendly and easy to operate. On-line market place gains on attractiveness as well as on volume significance. With the new attitude on on-line shopping new perspectives for traditional industries may appear also. By analyzing outcome bellow an overall picture can be viewed since 87% from all respondents are purchasing on-line. The biggest weight is given to customers purchasing more than 10 times a year. It is obvious to declare that on-line shopping gains on popularity and the prediction that this trend is continual is confirmed.



Source: Author

Figure 17: Frequency of on-line purchasing

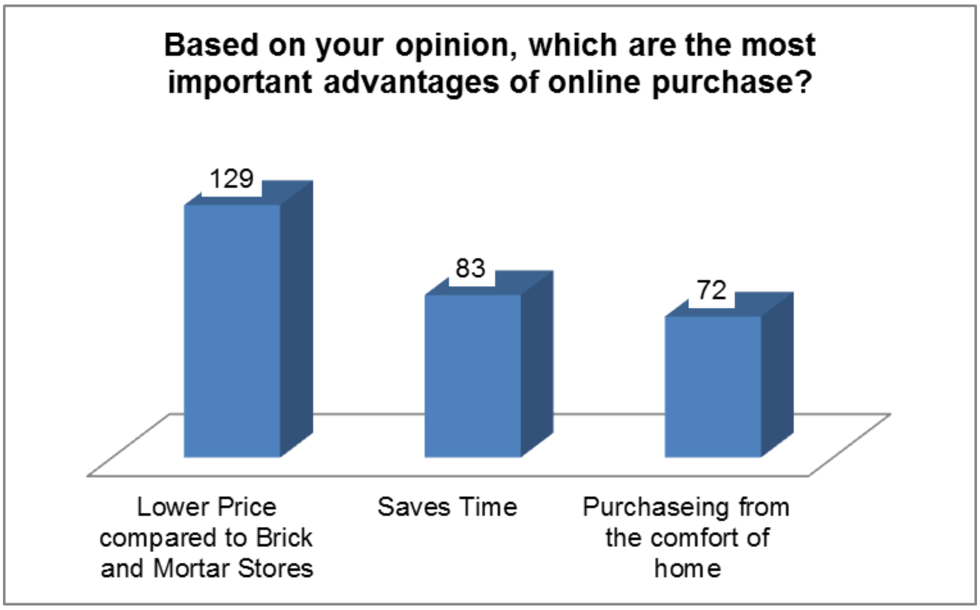
The following statement appeared in upcoming graphical distribution of on-line shopping behavior divided into age groups. Younger generation of on-line customers is shopping more than any of other following generations. The higher the age is the lower are on-line shopping preferences. This trend is recognizable in picture bellow with colors as purple (4-9 times making a purchase), red (10-30) and green color (30+). Surprising result appeared when about 40% of respondents are purchasing on-line more than 10 times a year. Only 13% of respondents are not purchasing on-line and about 40% respondents purchase 10 times and more pre year.



Source: Author

Figure 18: On-line purchasing by Age distribution

To define purchase behavior of on-line customer the question pointing to what is the most important advantage of on-line shopping is raised. There are provided more options in the questionnaire but only three most important ones are listed. Interviewer accompanies the survey by questionnaires personally and the question about advantages is asked openly without any listed options. First two options are noticed and transformed to a statistical outcome. The overall result of the most evaluated advantages is listed in graphical outcome hereunder.

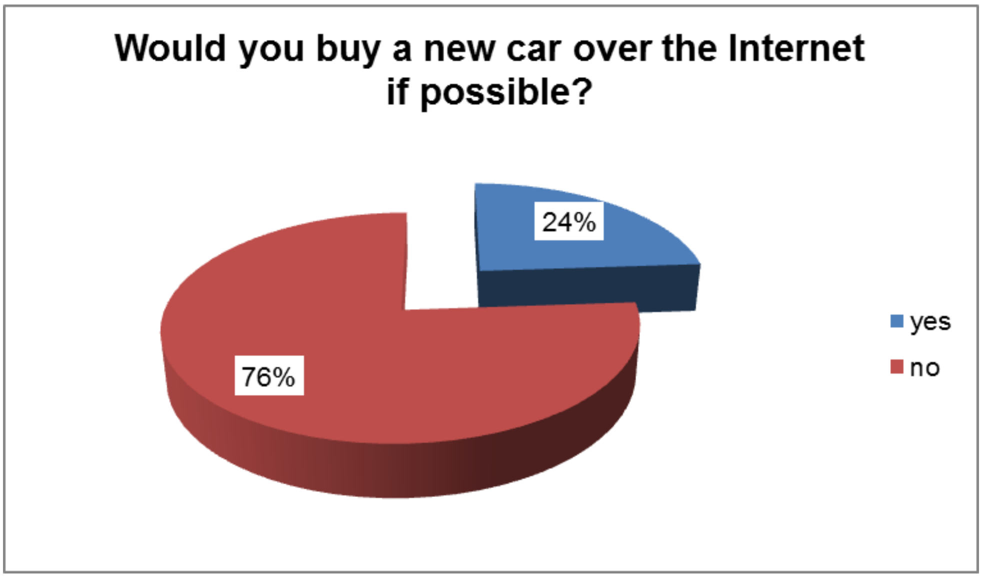


Source: Author

Figure 19: The most important advantages of on-line shopping

The all above asked questions were created to get an overall idea about the customer and his on-line purchasing behavior. This initiative is mainly caused by the need of exploring the potential of direct sales of vehicles. To perform the distribution channel matrix analysis a fundamental question must be asked. This question is about customers' attitude of buying product through designed distribution channel.

The question is a bit surprising for the respondent since this question is not often raised because online configurators with an option to pay are not often available. Uncertainty was a reaction usually visible through body expression. Answer to this question was easy to follow since answers to the question were only yes or no.

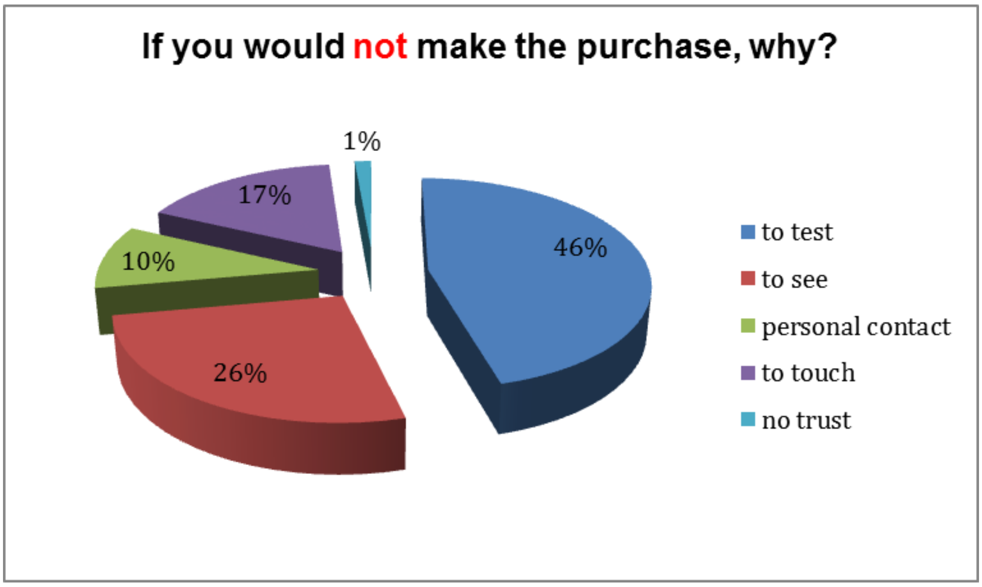


Source: Author

Figure 20: Attitude to on-line purchase of vehicle

An additional question regarding to this topic was raised to understand respondent's reaction more precisely. To ask respondent why the answer was yes does not make that much sense since positive reaction to this question is more emotional than rational. More important is to find out why the reaction was negative since this attitude helps to design optimal solution to pinpoint customer's needs.

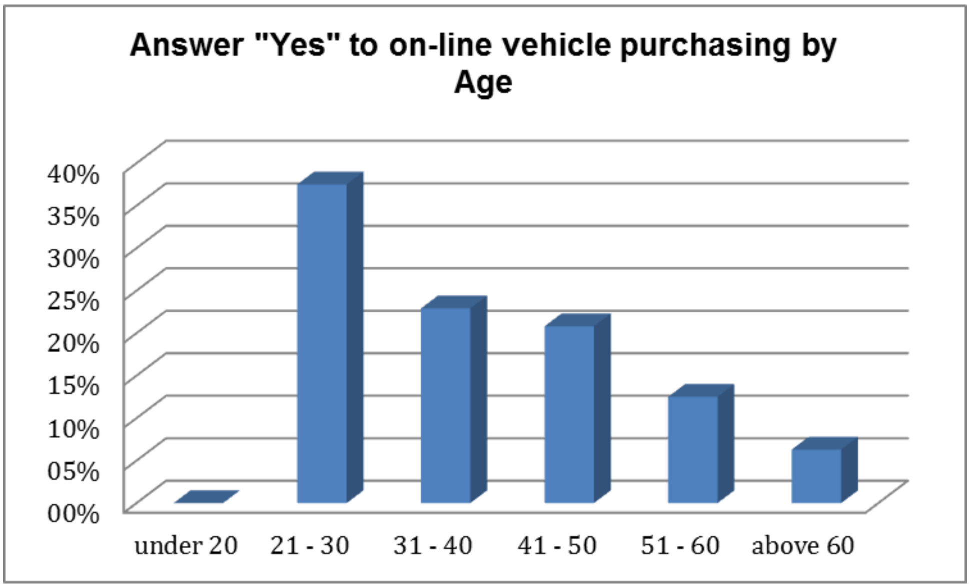
From the results it is clear that to test and to see a vehicle physically is very important for many customers. To touch or smell vehicle is quite important for common customer, thus we have to perceive it as essential information as well. Personal contact was also recognized but it has less significance than it is in common opinion.



Source: Author

Figure 21: Reasons to negative statement

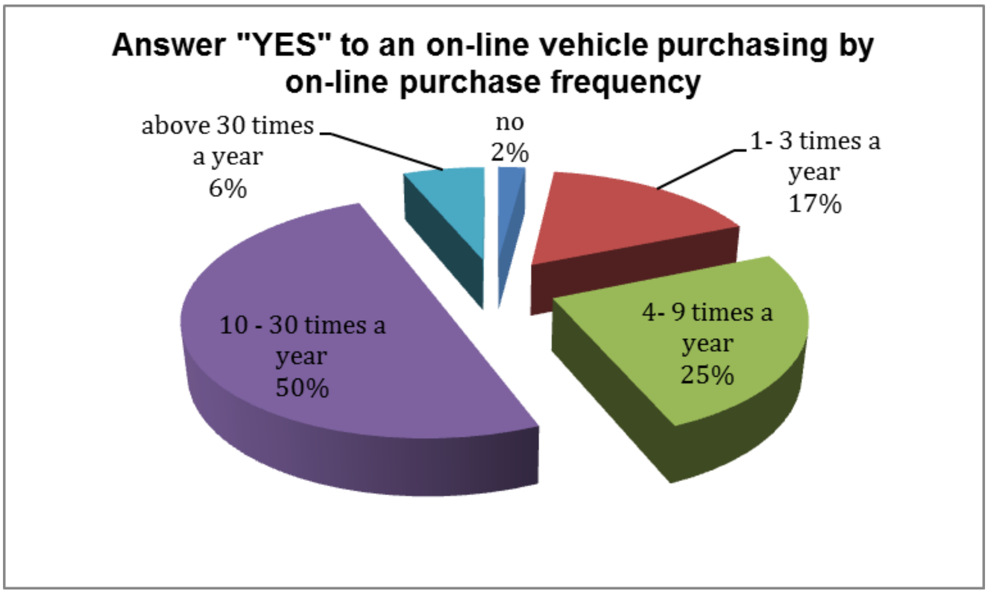
By cross analyzing the results an interesting correlation appeared. Respondents with a positive answer to an on-line vehicle purchase are mostly younger. The group of respondents at the age from 20 to 30 years is the biggest group. A decreasing trend is recognized as the segment’s age is increasing. This outcome predicts a more positive outlook with the upcoming generation, which is still not economically strong to purchase a vehicle. It is important to say that there were still more negative answers to vehicle purchasing on-line no matter which age segment was analyzed.



Source: Author

Figure 22: Positive answer to purchase on-line distributed by age

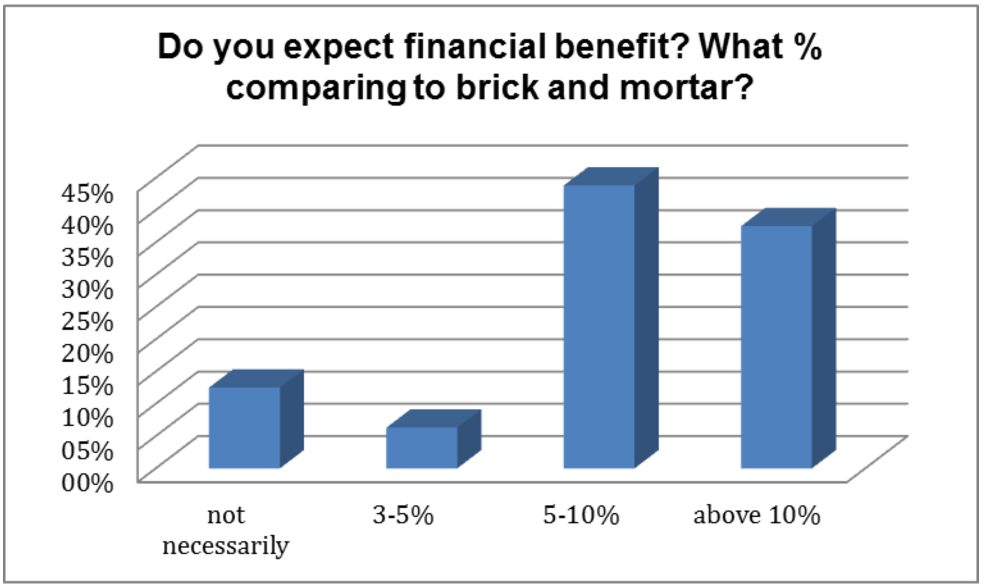
Interesting finding was that that 56% of respondents with possitive answers are shopping more than 10 times a year. This means that once there is established a possitive relationship and trust in on-line shopping an important purchase decision such as a vehicle shopping can be executed.



Source: Author

Figure 23: Positive answer to purchase on-line distributed by respondents' on-line frequency of on-line shopping

Since the most significant advantage of an on-line shopping was recognized by price advantage when compared to brick and mortar store, the question regarding percentage discount level was indeed needed. A clear point aggregated from the survey results confirms that a percentage discount was highly appreciated as a tradeoff for an alternative form of purchase. For some respondents the price had not that significant importance while most of other features of on-line shopping were more important. If there were other features more important than price discount an attitude about the comfort, time saving or non-stop availability was predominant.

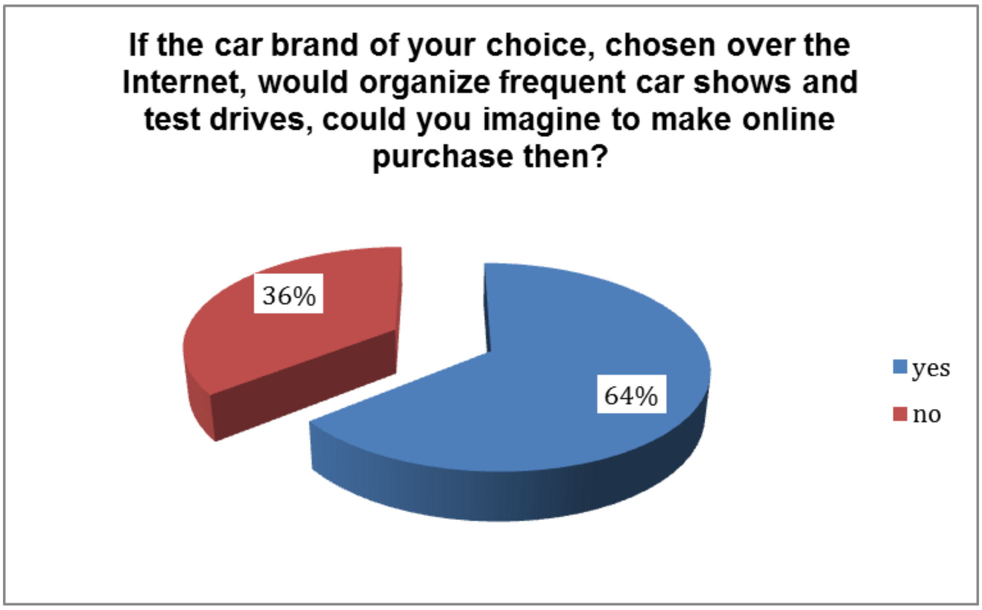


Source: Author

Figure 24: Expected % of financial benefit

During the survey execution first results appeared. Most of the respondents replied that the need for the test drive, the physical contact with the vehicle and the personal contact with sales representative is needed. A thought process gave an idea for an additional question to be upraised about an optional solution for an alternative distribution channel. The question about a regular roadshows, providing requested alternative for the test drives and the contact with vehicles was inserted for the last three days of the survey.

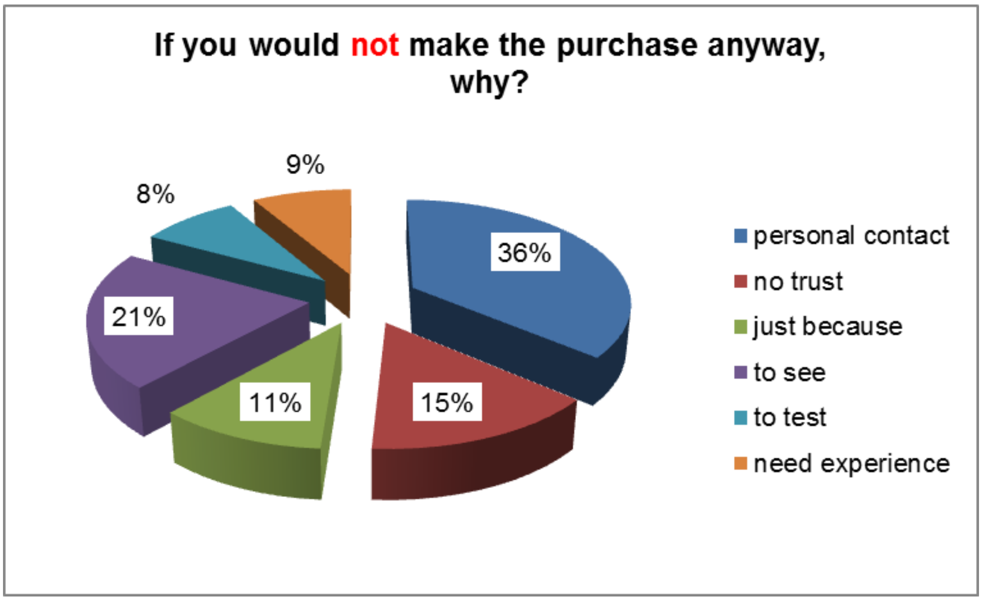
To the question if the customer could have imagine making an online purchase of a vehicle if the car brand of his or her choice, chosen over the Internet, would organize frequent car shows and test drives, the answerer to this question was surprisingly in a positive way. About two thirds of respondents that replied negatively to the question about if they would make an on-line vehicle purchase, reacted to this new altered question positively. The result that came from this altered question forced to reevaluate the approach of alternative on-line vehicle purchase by adding to offer the required designed option to fulfill customers' expectations.



Source: Author

Figure 25: Alternative question to on-line vehicle purchasing

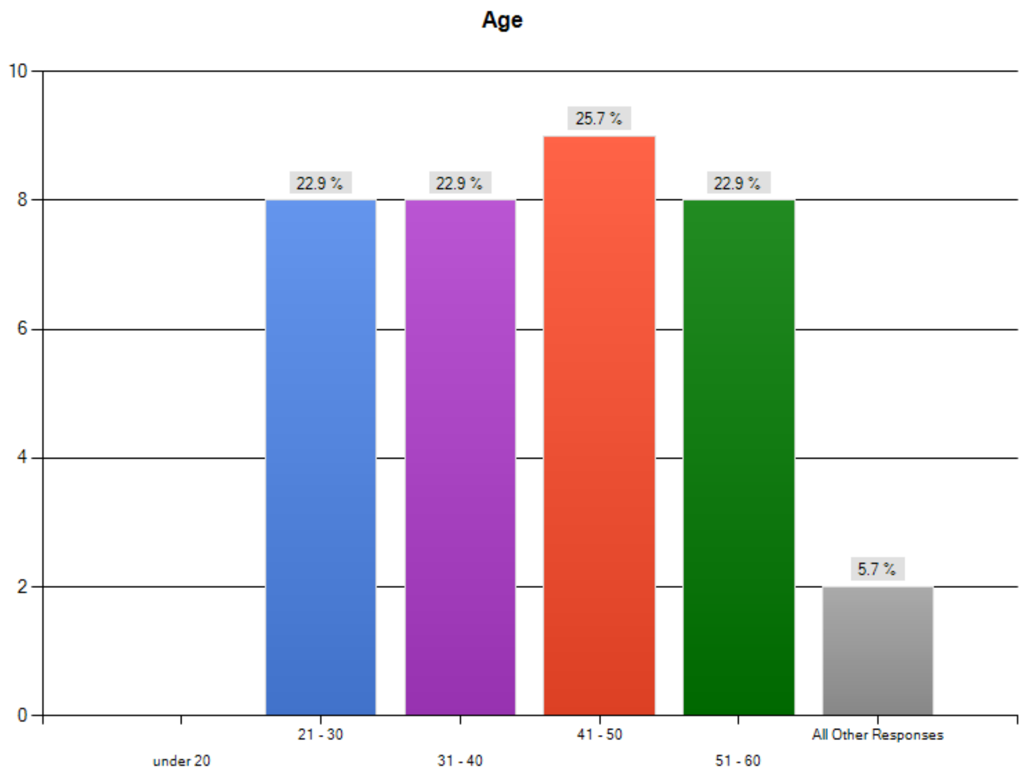
Only 36% of the answers to the alternative question were negative. Therefore, the need to understand this attitude was crucial. The answers to the question why would you not make the purchase if there would be an alternative of road shows, the answer split was different. Mainly the need for personal contact, the lack of trust in on-line shopping and the unavoidable need to see what is purchased appeared. The general statement can be summarized that once the basic barriers are solved another may appear.



Source: Author

Figure 26: Reasons for negative statement to alternative question

An interesting outcome from the cross-analysis of the results by Age distribution appeared. There is no correlation with trends discovered in the part that describes the Internet as a source of information or as purchasing behavior. In this topic there is absolutely no relationship discovered by filtering or cross-analyzing the results. With the following outcome a general statement can be made. The attitude not to buy a vehicle on-line is the same across every age distribution, as well as other demographic outcomes such the education, the residency or the price level of a purchased vehicle.



Source: Author

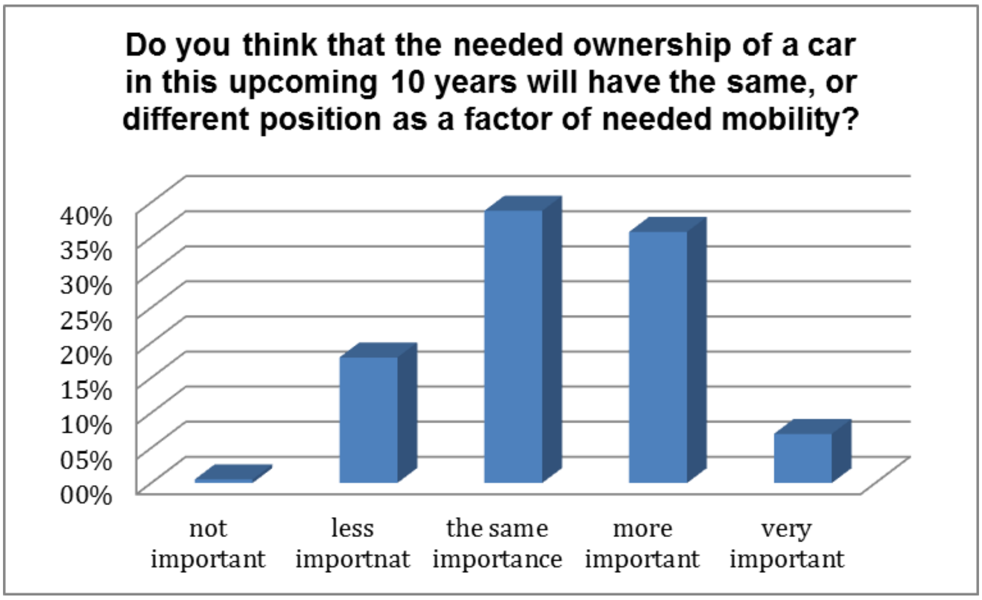
Figure 27: Attitude to not buy vehicle on-line distributed by age

4.5.5 Mobility affair

The fundamental issue for the automotive industry is the affair of mobility. The mobility challenge may be sold and refurbished by other industries and may influence the manufacturing of vehicles as well as its distribution. Due to the changed situation in the ownership of a vehicle, as a solution to solve the need for human mobility, the fundamental environment of automotive industry will be influenced.

The general opinion regarding this fundamental challenge is supported by the idea to decrease the need for the ownership to a vehicle. Metropolitan cities are packed with vehicles. Additionally, environmental concerns or nonrenewable sources make this discussion only more valid. Also the Net-Genres generation has a different view on the vehicle ownership. The value of a vehicle is becoming not that significant anymore.

The question regarding this interest was asked. The result was overall different than the well-known idea about the significance of mobility. Since the area, where the survey was taken, is located in part of Europe that has under averaged ratio of vehicles per 1000 inhabitants and perceives the general position of a vehicle as an index for wealth. The result was more oriented to traditional idea of mobility solution.



Source: Author

Figure 28: Mobility affair

The question was not easy to grasp for many respondents and an additional explanation was needed. Nevertheless, it is still not clear whether the idea of the question was really understood. Do you think that the needed ownership of a car in this upcoming 10 years will have the same or different position as a factor of a needed mobility? The result showed that 70% of respondents within the designed area do think that a vehicle as a solution for mobility will have the same or increased importance as a solution to the problem of human mobility.

5 General conclusions

This research done by different methods helped to discover different ideas. A general outlook about herein topic was made to understand the current situation and to predict possible direction of disintermediation as a world megatrend in the field of vehicle distribution. Many discovered outcomes are surprising and show that the overall opinion of respondents worldwide is more similar than it was assumed. People are more connected and share the same opinions on the Internet, which is the phenomenon of this time period. Disintermediation is in fact inevitable. It is only the matter of time until all industries will be affected.

5.1 Critical discussion

Shopping or making a purchase is a process. It is not only the act of financial transaction it is the process of decision making. The on-line shopping does not stand only for financial transaction, it stands for a process of gaining awareness, searching for options, cross comparing, reading references, discussing virtually and sharing references by social networks. In vehicle distribution it is also possible to say that many of these traditional steps of purchasing process are substituted by virtual alternatives. Some of these steps are done exclusively via the Internet and integrate the missing part of traditional method.

Thanks to the analysis of the results from the secondary and primary research, the obvious statement can be made. The usage of The Internet as a source of information for a purchase of a vehicle has the same relevance across the world. The Internet has high percentage value as a principal source of information and has the same importance in Accenture worldwide survey as well as in the survey made at Bratislava Moto show. Having this understanding it is possible to assume that other responses from surveys can be used to complete this general picture as well.

In the process of purchasing a vehicle, every step leading to final purchase decision is done also virtually. Vehicle configurators with the full functionality to offer full vehicle purchase online are seemingly available. This way one can search, review, discuss, and buy vehicle online from the comfort of home. e-Commerce is in fact already used for vehicle distribution. The potential of e-marketing is already fully utilized to attract customers spending bigger amount of time on-line. This type of customer behavior is recognizable and every brand reflects upon this kind of need. It will take some time until there will be a technological solution that will appear as an advantage for wide audience.

The technological progress is ways faster than human potential is able to adapt to this progress. Human personality with the tendency to create avoidance is not opened for intensive progressive changes. Behavioral processes cannot be changed that frequently. According to this statement it is predictable that with the exchange of generations also more positive attitude to full on-line purchase of vehicles will appear. The age distribution of respondents is analyzed in this thesis as well. The trend discovered in the age diagram confirms that behavioral change for on-line shopping of vehicles and other products is in positive correlation with given age segments.

The purchase of vehicles exclusively on-line is still not fully supported by customers. Only 24% of customers supported the idea of an on-line vehicle purchase. The need to touch and to see a vehicle is very important. Since the answers to this topic were repeatedly the same for two days one extra question was added. An alternative option for an on-line purchase was introduced and a new perspective appeared. The possibility to test and touch a vehicle prior the purchase outside of a dealership created a new opinion. Using the new distribution channel model that combines the virtual and the physical aspects, a new attitude of customers was recognized. About 64 percent of respondents that replied no to an exclusive on-line shopping could have imagined making a purchase on-line if a new model of retailing was offered.

The customer expects a financial benefit for shopping online. This point of view is probably caused by the experience gained from the daily usage of e-commerce. Customer’s preference for purchasing on-line is mainly influenced by price advantage, time saving and by comfort of home environment. Furthermore, in a vehicle on-line purchase the price advantage is embrace to be five percent and more. In this situation it is important to recalculate and reconsider which option of retail format is more effective.

The importance of e-marketing is also supported by the interviewed managers. For now customer’s experience is a must and the direct distribution system with an optional solution is not supported. It is a traditional thinking as well as unwanted need for restructuring. In some cases a visionary representing the company understands the need to adapt to next generations.

Disintermediation is still not fully applicable for automobile distribution. There would be the reorganization of managerial organizational charts as well as the elimination of dealer networks by decreasing the number of outlets but the distribution system would still remain the same. Thanks to virtual interface many services are and could be covered by web based solutions or applications. The e-marketing is fully used to serve customers but the final purchase operation is still done traditionally. It is understandable now that in close future, let us say in 10 years, next generation will become economically competent and mentally ready for such a change. The system in place is ineffective. Every marketing or decision-making process is done virtually but the contract part must be signed traditionally. This set-up is not economically sustainable.

5.2 Hypotheses evaluation

Nr	Objective	Hypothesis	Conclusion
1	To analyze the purchasing behavior of consumers that purchase products and services on-line	Consumers in general use the Internet not only to accumulate information; they use the on-line environment to purchase products and services as well	
2	To find out the relevancy of information sources, which are important for decision-making process of a vehicle's purchase	The Internet is already a relevant source of information for the process of decision-making involved in the purchase of a vehicle	
3	To discover consumer's preferences of on-line shopping of a vehicle	The customer is still not ready for the on-line process of purchasing a vehicle	 
4	To predict the future development of a vehicle distribution with a focus on disintermediation and e-commerce principles	The future development of the vehicle distribution strategy leads to disintermediation via the usage of e-commerce tools	 

Caption:  - confirmed  - refused   - partially confirmed

Source: Author

Figure 29: Hypothesis evaluation

Hypothesis #1

Consumers use on-line environment for purchasing products and services in general; not only for accumulation of information

Customers spend time connected to the Internet. Majority of the respondents are connected about two hours a day. Only 13% of respondents do not purchase products and services on-line. About 40% of respondents are purchasing on-line more than 10 times a year. The younger the generation of on-line customers the more shopping is made as any other of the following generations. The higher the age the lower on-line shopping preferences are present.

The three most important advantages of online shopping are listed as the price advantage, time saving and the purchase from the comfort of home.

Statement: Hypothesis confirmed; high percentage of customers are purchasing on-line.

Hypothesis #2

The Internet is already a relevant source of information in the process of decision-making regarding to the purchase of a vehicle.

The secondary research discovered that the Internet in preselecting phase is a very important tool. Since many questions of worldwide survey have been asked regarding to an on-line preselecting phase and that high percentage of respondents confirm that the Internet is a very important tool, it is possible to assume that the Internet as a source of information has very important position in the process of purchase decision-making. This statement was also discovered and affirmed during the primary research where also high percentage of respondents confirms that the Internet is the most important source of information apt for a vehicle purchase. The Internet as a source of information is used by 65% of customers as the most important source of information needed for the process of decision-making. With this outcome it is possible to confirm that there is a connection in the customer's behavior of primary and secondary research interviews.

Statement: Hypothesis confirmed that the Internet is the most important source of information in the process of decision-making for the purchase of a vehicle

Hypothesis #3

Customer is not ready to purchase a vehicle on-line.

According to Primary research questionnaire, 76% of respondents are not willing to buy a vehicle exclusively on-line. With this result the hypothesis is confirmed.

Since the question confronting the negative attitude toward online shopping of vehicles was not raised at day one and two of the survey completion, it is possible to discover that respondents are missing the possibility to touch and test the product. With new thought processes a new question confronting that negative attitude was added. If the car brand of your choice, chosen over the Internet, would organize frequent car shows and test-drives, could you imagine to make an online purchase then? Respondents are surprisingly replying to this question by 64% with a positive answer.

It is possible to see a trend for traditional on-line stores to provide for customers also an option to visit showroom a some kind of an outlet that could be used as a logistics center as well.

Statement: The first stated question of the proposed hypothesis was confirmed. However, after there was provided an additional option for vehicle distribution model, most of the respondents replied with a positive answer, hence customers are ready to make a purchase on-line. Accordingly, this adjusted hypothesis stated here over with a new approach is refused.

Hypothesis #4

The future development of vehicle distribution strategy leads to a disintermediation via the usage of e-commerce.

According to discussions with top managers from representative offices, it seems that there is no real strategy for disintermediation existent. Despite of it, if it is true or not, it is assumable to be doubtful whether the strategy for disintermediation really does not exist, or the upper management does not want to reveal this kind of confidential information, or even that the top executive management is keeping it even more confidential for lower levels. Also it is assumable that the field of the interest is very confidential and therefor it is impossible to get any relevant information.

Consequently, through the primary and secondary research it is possible to predict the future development of vehicle distribution with the disintermediation involved. Almost all steps of purchase decision-making process are already covered on-line through tools of e-commerce. Only the purchase decision using the payment transaction is done traditionally. With preferences of younger generations for on-line purchase it is possible to predict that with the exchange of generations a full on-line service of purchasing will be offered exclusively as it is in other industries.

Statement: Hypothesis refused for period of five to 10 years. In general future development of vehicle distribution utilizing trend of disintermediation is predictable only through indirect outputs from the primary and secondary research.

5.3 Outlook

Disintermediation as a world megatrend is an inevitable fact. Many industries incline to this philosophical change of distribution. The e-commerce and e-marketing tools serve customers effectively and provide an outstanding service. Models of e-commerce distribution systems reflect to customers' needs and provide options for more effective distribution systems with the supply chain as a part of it. The Internet supports new methods and confronts old-fashioned systems. The old systems are pressured to change, due to the importance of efficiency and price sensitivity caused by the on-line transparency.

According to the Accenture research more than 80% of respondents think that the automotive industry significantly lags other industries in the use of digital media tools and other e-marketing methods. Those respondents believe that interactive digital marketing is the only option for auto industry. This statement gives an enormous pressure to manufacturers to rethink their strategies for brighter future. Thanks to the outcome from the primary research it is predictable that this change of distribution model will come with the exchange of generation. The generation of customers with preferences exclusively to on-line shopping is still not economically active. Within the period of 10 years this position will change and therefore manufactures must rebuild their systems accordingly to meet the expected need for the direct model of a vehicle distribution affected by trend of disintermediation.

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Attachments

Appendix 1 – Questionnaire in English, generated by Survey Monkey statistical tool

1. Day of survey

- ◯ 1
- ◯ 2
- ◯ 3
- ◯ 4
- ◯ 5

2. Which car brand has the biggest value for you?

3. Gender

- ◯ Male
- ◯ Female

4. Age

- ◯ under 20
- ◯ 21 - 30
- ◯ 31 - 40
- ◯ 41 - 50
- ◯ 51 - 60
- ◯ above 60

5. Education

- ◯ Primary
- ◯ Secondary without certification
- ◯ Secondary with certification
- ◯ University

6. Place of residence

- ◯ under 10 000 inh.
- ◯ 10 000 - 50 000 inh.
- ◯ 50 000 - 100 000 inh.
- ◯ 100 000 - 500 000 inh.
- ◯ above 500 000 inh.

7. Have you purchased a car in the last three years or do you plan to make a purchase of a car within three years?

- ◯ yes
- ◯ no

8. What kind of vehicle?

- ◯ new
- ◯ used

9. What is the price level?

- ◯ under €10 000
- ◯ €10K – €15K
- ◯ €15K – €20K
- ◯ €20K – €30K
- ◯ €30K – €40K
- ◯ above €40 000

10. What are the sources of information which are important for vehicle purchase?

- ☐ media advertising
- ☐ specialized magazines
- ☐ TV motoshow
- ☐ Internet
- ☐ showrooms
- ☐ exhibitions
- ☐ family/friends
- ☐ other

11. On what scale do you use the Internet as a soree for information useful during a car purchase. On a scale from 1 to 5, where 1 is not importnat and 5 is very important.

◯ 1/never ◯ 2/a little ◯ 3/often ◯ 4/a lot ◯ 5/always

12. How many hour a day do you spend using internet?

- ◯ 0
- ◯ less than 1
- ◯ 1
- ◯ 2
- ◯ 3
- ◯ 4
- ◯ 5
- ◯ 6
- ◯ 7
- ◯ 8
- ◯ 9
- ◯ 10
- ◯ above 10

13. Are you purchsing using internet?

- ◯ no
- ◯ 1- 3 times a year
- ◯ 4- 9 times a year
- ◯ 10 - 30 times a year
- ◯ above 30 times a year

14. Based on your opinion, which are the most important of here mentioned advantages of online purchase. Circle up to 2 choices.

- ☐ Lower Price compared to Brick and Mortar Stores
- ☐ Saves Time
- ☐ Non-stop availability of a online store
- ☐ Purchaseing from the comfort of home
- ☐ Bigger variety of items
- ☐ I buy only what I need to
- ☐ Accessible information

15. Would you buy a new car over the Internet if possible?

- ◯ yes
- ◯ no

16. If the car brand of you choice, chosen over the Internet, would organize frequent car shows and test drives, could you imagine to make online purchase then?

- ◯ yes
- ◯ no

17. If you would not make the purchase, why?

1

2

3

4

5

18. Do you expect financial benefit? What % comparing to brick and mortar?

- ◯ not necessarily
- ◯ 5-10%
- ◯ 1-3%
- ◯ above 10%
- ◯ 3-5%

19. Do you own a smart phone with activated cellular data services?(Internet connection)

- ◯ yes
- ◯ no

20. Do you think that the needed ownership of a car in this upcoming 10 years will have the same, or different position as a factor of needed mobility? The need for an ownership is on a scale 5 as a very important position, 3 as the same importance and 1 as not important.

- ◯ not important
- ◯ less importnat
- ◯ the same importance
- ◯ more important
- ◯ very important

Appendix 2 – Questionnaire in Slovak original version

Vážený respondent,

Rád by som Vám prostredníctvom tohto dotazníka položil niekoľko otázok, pomocou ktorých by som chcel získať odpovede na otázky týkajúce sa možnosti nakupovania vozidiel (osobných automobilov) cez internet. Vyplnenie dotazníka je anonymné a dobrovoľné. Zistené informácie budú použité výlučne pre študijné účely v rámci spracovania mojej záverečnej práce.

0. Ktorá značka auta pre vás má najväčšiu hodnotu?

   ....

1. Pohlavie

   ☐ Muž ☐ Žena

2. Vek

   ☐ menej ako 20 ☐ 21 – 30 ☐ 31 – 40
   ☐ 41 – 50 ☐ 51 – 60 ☐ viac ako 60

3. Vzdelanie

   ☐ základné ☐ stredné bez maturity
   ☐ stredné s maturitou ☐ vysokoškolské

4. Veľkosť sídla – trvalého bydliska

   ☐ menej ako 10 tis. obyvateľov ☐ 10 tis. - 50 tis. ☐ 50 tis. – 100 tis.

   ☐ 100 tis – 500tis ☐ 500 tis a viac

5. Kúpili ste si za posledné 3 roky alebo si v najbližších 3 rokoch plánujete kúpiť vozidlo?

   ☐ áno ☐ nie

6. Išlo alebo pôjde o vozidlo:

   ☐ nové ☐ ojazdené

7. V akej cenovej hladine sa pri kúpe vozidla pohybujete?

   ☐ menej ako 10 tis. Eur ☐ 10 tis. - 15 tis. Eur ☐ 15 tis. – 20 tis. Eur
   ☐ 20 tis. – 30. tis. Eur ☐ 30 tis. – 40 tis. Eur ☐ viac ako 40 tis. Eur

8. Odkiaľ zbierate informácie o autách, ktoré sú pre Vás pri jeho kúpe dôležité

   ☐ reklama v médiách(TV) ☐ odborné časopisy ☐ relácie o autách
   ☐ internet ☐ autosalóny ☐ výstavy
   ☐ rodina/známy ☐ iné ....

9. Do akej miery využívate internet ako zdroj informácií pri nákupe vozidla na stupnici od 1 do 5, pričom 1 je najmenej a 5 je najviac rozhodujúce ako zdroj informácií

   1------------------- 2------------------- 3-------------------4-------------------- 5
   vôbec malo doplnkovo významne výhradne

10. Koľko hodín denne trávite na internete?

   ....

11. Zvyknete nakupovať tovar (akýkoľvek) na internete?

    vôbec nenakupujem 1-3 krát do roka 4-9 krát do roka
    10 a viac krát do roka

12. Ktoré sú pre Vás najrozhodujúcejšie výhody nákupu tovaru cez internet z tu uvedených možností. Vyberte maximálne dve možnosti.

   A) Nižšia cena v porovnaní s kamenným obchodom
   B) Šetrenie času
   C) On-line obchod je dostupný nonstop
   D) Nakupovanie z pohodlia domova
   E) Bohatý sortiment
   F) Kúpim iba to, čo potrebujem

13. Kúpili by ste si nové vozidlo na výhradne na internete?
    áno nie

14. A ak by boli pravidelné výstavné dni s testovacími jazdami organizované značkou predvybratou na internete, viete si predstaviť spraviť objednávku na internete?

    áno nie

15. V akej % výške očakávate cenove zvýhodnenie?
    do 1% 1 – 3 % 3 – 5 %
    5 – 10 % viac ako 10 % nekúpil

16. Ak nie, tak prečo

   ....

17. Vlastníte smart-phone s aktivovanými dátovými službami?

    áno nie

18. Myslíte si, že potreba vlastniť vozidlo bude mať v najbližších 10–tich rokoch rovnaký alebo zmenený význam v rámci ľudskej potreby mobility? Potreba vlastniť: veľmi dôležitá 5, rovnako dôležitá 3 a nedôležitá 1.

   1-------------------2------------------3------------------4-------------------5
   nedôležitá menej významná rovnaká dôležitejšia veľmi dôležitá

Apríl 2013 Ďakujem za pozornosť