

Chapter 6

Trucker Value Perception and Manufacturer Value Offering in Indian Truck Market: Business Model Through Value Perspective

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ABSTRACT

The concept of business model has been deliberated upon from the value delivery mechanism perspective. The term value has been considered from the perspective of quality and price. The value perception of the Indian transporters and the value offerings of the top three truck manufacturers in India have been considered in this chapter. Value (in terms of quality and price) perception was observed to be different for separate category of customers. It was also found that the business model for offering value to customers was different as manufacturers were differently focused across tonnage segments of the market.

INTRODUCTION

In literature the term business model has often been used with varied implications and at times with diverse perspectives. It has been observed by (Zott, Raphael, & Massa, 2011) that despite enormously large academic activity on ‘business model’ there is hardly any consensus on a common and widely accepted definition on the aforementioned topic. But the authors still broadly identify a commonality on e-business models, business models as activity system and as cost/revenue architecture. Given this backdrop of hugely diverse take on business model, it was found by (Schafer, Smith, & Linder, 2005)

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that although there is hardly any commonality among the plethora of ‘business model’, at least twelve definitions for the term ‘business model’ coined between 1998 to 2002, but none of these definitions seem to have been fully acknowledged by the business community completely. However, the authors concluded that broad areas like: strategic choices, creating value, capturing value and value network to be relevant and significant in terms of previous and contemporary researches in this regard. Besides, the consideration for business model various researchers like (Casadesus-Masanell & Ricart, 2010) also lay down a relationship between strategy and business models, they claim that the process of designing business models is more of an art and it is necessary that an integrated framework separates the domains of strategy, business models and tactics.

The researchers of this chapter have come across such different perspectives on business models in the following cases:

Studies have been conducted on importance of information and relevance of the e-environment, the study conducted by (Hedman & Kalling, 2003) concludes that an effective information system has a positive effect on business model development in an e business environment. The authors also stress upon the relevance of quantitative study and recognition of key variables in this regard.

Financial performances were also found to be Also, (Malone, et al., 2006) while discussing business model by ‘creators’ or manufacturers have resolved that while classifying financial performance of a business model ‘market value and growth’, ‘profitability’ and ‘operating efficiency’ should be focused upon.

Aspects like service innovation as a major contributing factor to improve end experience have discussed by (Curtis, 2006). The researcher discusses the significant benefits on how through service innovation, companies can provide improved end user experience. According to this paper, service innovation comprises of: service model innovation – which is establishment of the service strategy and service business model of the firm concerned; Service operational innovation – which is about bringing in efficiency through innovative approaches in existing service operations that helps to dramatically lower the costs; Service growth innovation – which is about managing the creation, development and delivery of new services using the same discipline and rigor as used in new product development.

The report also suggests three main considerations to make service led growth. They are: Creation of a service growth strategy that recognizes and accounts for different growth models; identification and addressing of process and capability gaps; Management of service development and delivery differently than product development.

The human aspects of business model developments have also been covered by researchers, wherein they have tried to study and compare the various aspects of and approaches towards the skill development through manufacturer and governmental initiatives. (Thompson, 1995) took up a comparative study to understand the common trends in manufacturing in Sweden, Austria and the UK. The study focused on various approaches to the creation of skilled labor with an emphasis on skill formation; things done by manufacturers in labor (human resources) processes and initiatives taken up by the governmental/regulatory bodies in education and training. The researchers state that – “New paradigms of work organization espousing a radical break in production systems assert a natural identity between advanced manufacturing and utilization of skilled labor.” The authors of this comparative study have tried to identify common tendencies in advanced manufacturing (growth in cognitive and extra-functional abilities in context to a team.

Researchers have also studied business models from the perspective of leadership and work culture transformation across all levels of the trucking industry. Terminologies like globalization, brand develop-

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