

## ABSTRACT

**Thesis title:** Automobile Industry's Firm-Specific Case Study: The Attempt to Survive in The Midst of Extreme Intra-brand Price Competition by Authorised Mercedes-Benz Dealers in Thailand

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This dissertation joins a vibrant conversation in the automobile industry about a situation concerning the downstream of the industry's value chain – the authorised dealers. Intra-brand price competition has been a prolonged trouble among the Mercedes-Benz authorised dealers in Thailand. At a first glance, this statement may seem counter-intuitive. This led to the main research question that this dissertation explores. Taking into consideration that Mercedes-Benz is a profitable automobile brand with unique positioning and a strong competitive advantage, how is it possible that downstream, at their authorised dealers, there is prolonged and worsening destructive price competition – as if there is no competitive advantage at all?

Relying heavily on field research work and empirical data collection, my dissertation found a number of answers. Existing literatures in the areas of competitive strategy, strategic entrepreneurship, customer satisfaction and customer retention have all provided suitable academic frameworks for the analysis of firm-specific cases within the automobile industry. Given that the business environment of the industry is complex, there is no one simple answer to the question. Each chapter in this dissertation shows contributing factors which cause the ongoing destructive price competition among the Mercedes-Benz authorised dealers in Thailand.

The research also indicates that while there has been a decreasing trend for the need of dealer principals' entrepreneurial skills over the years of organisational structure evolution, dealer principals still exhibit strong entrepreneurial characteristics. This was found to be one of the contributing factors to price competition under homogeneous franchising business settings. To my knowledge, this study provides the first comprehensive assessment of competitive differences between carmakers and their authorised dealers. The assessment reveals significant differences between the two parties. This further led to the analysis which illustrates a mismatch of official customer segmentation and customer satisfaction assessment. The tools and fulfilment required by carmakers can be a useful guide but they cannot be transferred directly to be each individual dealer's strategy. The findings of this dissertation remind the Mercedes-Benz authorised dealers in Thailand of their actual competitiveness and lack of strategic position under current practices that they have to compete against one another.