RESEARCH ARTICLE

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The Effect of Process Integration on Organizational Culture for Strategic Collaboration in Automobile Industry

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Abstract

A strong partnership in new vehicle retail management is a long-term commitment made by automakers and dealers towards mutual benefit. Manufacturers and dealers share a shared purpose in selling things, which makes everyone involved will benefit from a collaborative effort to sell a model automobile. This paper studies the aspects of trust that is built between the manufacturer and dealer which is affected by process integration, cultural understanding, and contract flexibility. The methodology followed was quantitative in nature in which cross-sectional data from the same manufacturing company dyad was employed. The findings of the research show a positive association between process integration with cultural understanding and contract flexibility and together these affect the trust that is built between the parties.

Keywords: Strategic collaboration, retail marketing strategy, vehicles, automobiles, cars, Collaborative marketing

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Introduction

In the United Kingdom, automobile manufacturers are frequently forced to rely upon franchises to aid in the fulfilment of particular retail marketing tasks. A channel design vehicle manufacturing operation's purpose is to ensure that all marketing channel obligations are done effectively and at the lowest potential cost. However, due to the fluid nature of the automobile market structure, a manufacturer must continually assess and monitor dealership performance (Olatunji et al., 2019).

When objectives are not fulfilled, most producers need to find methods to increase the efficiency of current franchisees or re-evaluate distributing options and conduct a change program. Despite the simplicity of the above sequence, research shows that distributing is among the least-managed components of automobile manufacturers' marketing. Thus, according to Omar (1997), a dealer system must be considered as an extension of a manufacturer's marketing aims to accomplish marketing objectives in car distribution. Consequently, dealer strategy, architecture, and selection are crucial parts of producers' marketing mix strategies (Shashank et al., 2019).

Automotive lot management has developed from passive automobile carriage directed by manufacturers to proactive managerial functions with their own role to play in accomplishing car retail organizational goals. This tendency reflects external reasons such as rising prices or industrial concentration in the United Kingdom. Manufacturers are increasing their flexibility via the use of operational research methodologies, and the architecture of automotive commerce is altering rapidly as dealership vehicle sales and industrial capacity expand.

A strong partnership in new vehicle retail management is a long-term commitment made by automakers and

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dealers towards mutual benefit. Consumers have gotten pickier about new automobile purchases, as they have with other consumer durables. However, to reap the benefits of strategic partnership in modern vehicle marketing, both manufacturers and merchants must adhere to a strategy (Mullineux, 1995). Car manufacturers often offer business help to dealers in exchange for the dealership organization becoming smaller, more advertising, and attentive to the makers' locally and nationally marketing aims.

The fundamental purpose of this study is to show that there is a dynamic field of cooperating goals between car dealers and manufacturers that helps both dealers and manufacturers. It reveals that collaborative marketing strategies, via management efficiency, help both producers and merchants reduce financial strain (Omar, 1998).

Literature Review

The priority of collaborating rather than competing goals of auto dealers have led to the notion of a dealership as being a part of the manufacturer's own internal structure. Strategic cooperation requires individuals to give up their selfish "macro aims" in order to attain a common goal (Kotler and Scheff , 1996). They will be better off if they increase the profit pie rather than arguing over parts of a shrinking one. As a result, the objective is to avoid conflict while increasing collaboration. Several research papers have supported this point of view (Kumar et al., 1995; lal and Agrawal , 1995; Omar, 1997 Kumar, 1996,).

Manufacturers and dealers work together to create a system wherein the manufacturer serves as the major organization and the dealers serve as subsidiary companies (Mallen, 1963). Kumar (1996) claimed that because this system interacts other similar systems throughout the economy, some general management of the system, rather than just management of specific groups within that system, is required for the organization to function properly as an integrated whole (Kumar et al., 1995).

Channels of distribution are groups of organizations that collaborate to provide a product to the end customer. Brown et al(1983) .'s ground-breaking study on dependency analyses the relationship among one company's current reliance on its partner, their use of influence methods, and their associated views. As according to Frazer et al. (1989), the company's reliance on its own supplier fosters the use of coercion and conflict, whereas different studies (Rody and Frazier, 1981) showed the different effect.

The knowledge of vertical vehicle distribution links in this work is based on a large body of empirical data collected over the last few decades (Esta and Stein, 1972). Stern, 1969; Etgar, 1978; Beier with 1982; Sibley and Koestner, 1981; Quelch and Ross, 1985; Lusch , Brown, Gaski, 1984; Hunt and Nunn, 1974 Butaney and Wortzel, 1988). These previous study objectives also weren't fully met. Much earlier study, as according Hudson (1991),. According to Wortzel snd Butaney (1988), the strength of the components is the single essential predictor of power.

Most previous study findings on manufacturer–dealer relationships have been inconclusive. Etgar (1978) discovered statistically significant relationships between several environmental factors and channel leader control. Emerson (1962) and Koestner and Gill (1978) underlined the need of identifying extradyadic features that might aid in understanding power in channel positions. The key premise (Uncles et al., 1994) would be that and relationship management and omnichannel strategies approaches may be developed by focusing primarily just on supplier and retailer.

Other empirical studies of dependency within manufacturer–dealer dyads (Buchanan, 1992; Ganesan, 1994; Noordewier et al., 1990; Stein, 1994; Rody and Frazier1991; Andersen and Narus, 1990; (Kumar et al., 1995; Lal, 1990; Weitz and Anderson (1989) provided empirical evidence to back up Reve's and Stern (1980) thesis that asymmetrical channel interconnections are more troublesome, unstable, and trustworthy than symmetric connections.

As a result, regardless of its own conduct, the relatively dependent partner expects to be exploited or abused. It is more likely to undertake a pre-emptive strike or insurrection against the control of larger firms (Lawler et al., 1988). As a result, the unilateral deterrence model says that as the connection becomes more uneven, both

its (supposedly) weaker dealerships and more powerful car manufacturer are more inclined to indulge in conflict, although for opposing reasons. Consequently, hypothesis 2 is likely to be right.

Not all symmetric relations, however, are the same. Increasing total reliance in symmetric networks enhances performance, according to Buchanan (1992). It is crucial to distinguish between the effects of asymmetric dependency and total interdependence. As a result, it is critical to explore how dealers' perspectives on dependency imbalance and total dependence affect their business partnership with suppliers in terms of commitment, conflict, or trust.

Manufacturers and merchants generally have more complementing and similar interests than opponents, notwithstanding occasional conflict dynamics (Mallen, 1963). Agarwal and Lal (1995), on the other hand, observed that strategic collaboration decreases such costs through enhanced efficiency because nearly half of a user's cost is added after that the product leaves the plant. A dyadic connection's interdependence structure includes each firm's reliance, the quantity of the firm's, the degree of interconnectivity imbalance between the businesses. Rising reliance imbalances and overall dependency according to 'bilateral deterrence theory,' are connected with increased levels of aggressiveness and conflict on both sides, everything else being equal (Lawler et al., Emerson and Cook 1980; Molm, 1989; Lawler and Bacharach 1990;. The relatively dominant corporation has less motive to avoid conflict as the channel found in the attached gets more asymmetric. Because the corporation may inflict proportionally more severe damage on its weaker opponents than it would receive in return, revenge is becoming less likely and less harmful.

Everyone involved will benefit from a collaborative effort to sell a model automobile. Manufacturers and dealers share a shared purpose in selling things, and the sole source of contention is how the complete profit margin is allocated (Kotler, 1997). They share the same goal, and that they are friends in this scenario. When one of these fails within the group effort, the weakest link in the chain could kill them both. As a result, retailers and manufacturers are concerned about one another's well-being. Because of this, hypothesis (h1 is based on the fact that both parties' commitment and trust become inextricably interwoven.

Conceptual Diagram from Literature

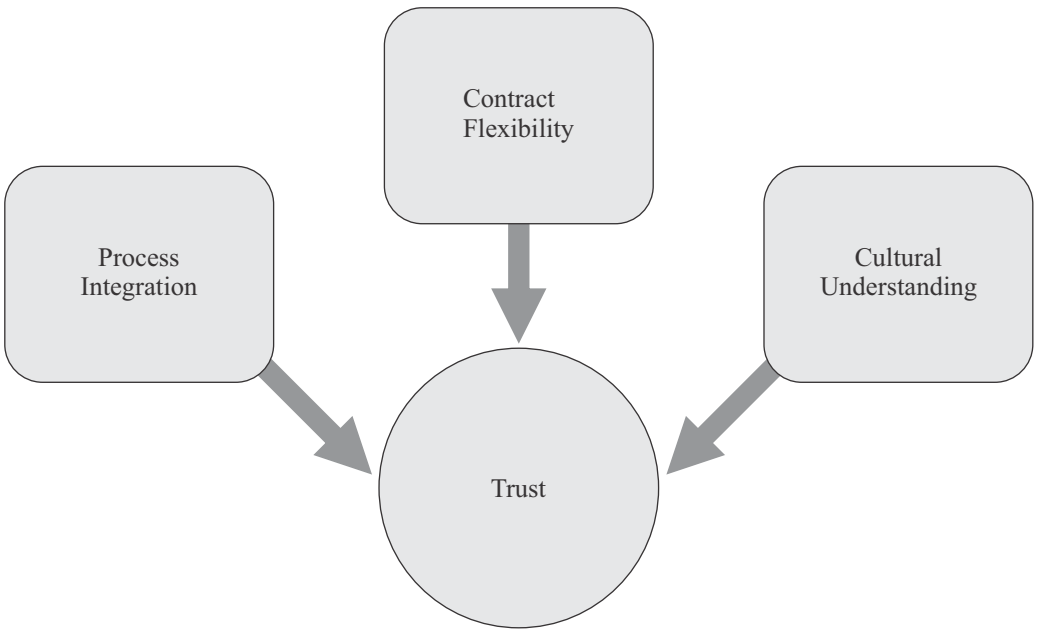

Fig: 1. Conceptual diagram from literature

Hypothesis

The primary goal of this research is to show that when vehicle dealers and manufacturers believe in each other and collaborate strategically in car dispersion, they start generating increased revenues from car marketing, provide better service to the customers, reduce operational and overhead costs, and become even more adaptable. Strategic cooperation aims to develop a new method of holding new car sales in the United Kingdom by integrating the experience of both the dealer and manufacturer. Individuals will be able to do what we cannot do alone if we work together, according to the belief. Although automakers may benefit from leveraging power in the near term, it is frequently counterproductive in the long run. Using influence to get unfair concessions may backfire on a company if the equilibrium of power alters. When manufacturers continue to employ their products, their victims (dealers) finally look for ways to strike back. The constructs are shown in Fig1.

When the connection between dealers and manufacturers is typified by unidirectional convergence, that is, when the dependent architecture was that both parties' interests are convergent, trust and confidence are anticipated to arise. In addition, as the connection gets more asymmetric, the parties' interests diverge. Increasing the interdependence mismatch removes structural constraints on the more powerful firm's self-serving use of power, opportunistic behavior, and punitive acts. As a result, two major assumptions are tested in this work.

A declaration of anticipation or prediction that will be put to the test through study is called a research hypothesis. A questionnaire survey was distributed to participants at all levels of the supply chain to interact with each level of the hierarchy. Additionally, after limiting the sample size, in-person interviews with persons who met the various criteria on the created checklist were conducted to determine who would be more accurate and suitable for the final sampling. The sample size was originally 125, then it was decreased to 70, and then 35 persons were interviewed from various work profiles within the same business. This chosen sample size has been beneficial for the research because the accuracy of the estimates generated has aided in further results and the study's ability to make conclusions has been greater. A population is split up into smaller subgroups known as strata as part of the sampling technique that has been utilized, stratified random sampling. During stratified random sampling, also known as stratification, groups of people are divided into groups based on shared traits or characteristics, such as level of education or income (University of Washington, 2010). This is the most appropriate type of sampling for this report because it has been employed since a particular set of dealers and manufacturers are being targeted. For sampling this data, the Likert scale was employed. This is because it has made it possible for the authors to ascertain whether or not automakers and dealers are in agreement or disagreement. Since the experience's strength and intensity are believed to be linear, the Likert scale was helpful. If attitudes can be quantified, then it shifts from total agreement to total disagreement (Parsons, 2017).

It additionally aided in the collection of sensitive information, such as:

- Nominal data: Data that do not necessarily require quantitative information or a certain order for the answers to be categorized into variables are known as nominal data.

- Ordinal data: Ordinal data are data that allow for the sorting or classification of the responses but not the measurement of the distance.

- Data intervals: Data intervals are aggregates that allow for measurements of distances and ordering.

- Data by ratio: Data by ratio is comparable to data by interval. Only the ratio of each data point to absolute "zero"—which is used as a point of origin—is different, and it must be equal and clear.
  (Rodriguez-Garcia et al., 2019)

The rankings for dealership and producer collaboration were added to determine the overall dependency. The precise difference between both the willingness to cooperate of the dealer and the producer was used to calculate the symmetry of cooperative partnerships.

According to a different study, partnerships in which the

merchants perceived themselves to be comparatively dominating and those in which they felt somewhat dependent did not differ in terms of confidence and trust. For the purposes of this analysis, each link was assigned to one of four cells: weak symmetric dependency, low symmetric dependency, dealer comparable reliance, and trader relative power. There were no notable differences among the first 3 cells that could have influenced the development of trust or commitment. This study also shows that a decrease in dealer income does not always signify a fall in dealer support in general. The effectiveness of the dealership business is aided by non-financial contributions made to dealers in the form of leadership abilities, technological know-how, or product experience. Manufacturers, on the other hand, exhibit excellent business judgment by assisting dealers, improving product quality, and fostering goodwill across dealers and customers. Due to the combined strength of these advantages, manufacturers can charge a sizable portion of the financial costs of collaborative efforts to retailers advertising budgets. The research suggests that instead of pursuing autonomy, dealers should work to boost manufacturers' level of cooperation. Partnerships between dealers and manufacturers that have a strong symmetrical reliance are likely to result in advantages for both parties, such as enhanced performance. This result demonstrates that the advantages of greater total dependence extend beyond a symmetric relationship between producers and dealers. The results point to a creative and enhanced method for pooling resources to lessen the impact of cars on the UK ecology. Each link was rated and placed in one of four layers: low symmetrical dependence, minimal symmetric dependency, dealer similar reliance, as well as trader relative power. The first three cells did not differ noticeably in any way that would have impacted how trust or commitment developed. The results of this study also demonstrate that a decline in dealership revenue does not always translate into a decline in dealer support generally. The efficacy of the dealership business is supported by non-financial contributions offered to dealerships in the form of leadership skills, technology expertise, or product experience. Lastly, each hypothesis was restated in the results section, followed by a statement about whether the findings confirmed it. Finally, the information and figures used to support your conclusion were provided. The obvious difference between the two conditions has been noted, along with a description of which state was more or less, higher or less than the other condition (s). Assume that the audience you are speaking to is an expert in statistics.

H1: When vehicle dealerships and manufacturers strategically interact, the relationship's interdependent asymmetry develops, but trust and commitment decline due to the loss of a positive edge.

H2: When vehicle dealers and manufacturers interact strategically, the whole dependency in their connection grows, as does trust and commitment, with a favorable advantage.

Methodology

Previous research has indicated that strategic collaboration benefits both producers and dealers (Scheff & Kapferer, 1996; Kumar, 1996). Even while it is technically feasible to obtain all of the data required to test hypothesis 2 and 1 from producers, reaching and obtaining data from specific individuals desiring to promote new automobiles is impossible. Data was acquired from a manufacturing business dyad based on such impracticality. To test hypotheses 1 and 2, cross-sectional data from the same manufacturing company dyad was employed.

Personal interviews were conducted with new car manufacturers such as the Peugeot Group, Toyota, Volvo, Honda Volkswagen Group, Fiat Group,Mercedes-Benz, Renault, Nissan, BMW Group, General Motors (GM), and Ford Group to collect data on car promotional expenditure, full-time support staff, franchised dealer count, total sales, and the types of ongoing services offered.

The random sample for testing the hypotheses 1 and 2 was determined by the results of the dyadic poll of suppliers and dealers. The dealership survey was completed by the managers, who were often the owners. The refusal to provide monthly sales figures or the cancellation of a licensing agreement were the primary reasons for the failure to respond. The final data gathering questionnaire had earlier been delivered to 50 other dealers that were not part of the final investigation.

Measurements

Within the automotive marketing strategy, the focus for both dealer and manufacturer partnership (dependency) is on each partner's replaceability (Rody and Frazier, 1991). Both Rody and Frazier (1991) and Hildebrand (1994) measured interdependence using dealer opinions of their own and the manufacturer's replaceability. The measurement of the dealers' views of group comprised was consistent for this study, with no investigation of the consequences on the dealers' attitudes. Each dealer's impression of joint partnerships with the manufacturer was assessed using parallel questions (commitment and trust) modified from Kamur et al(1995) .'s replaceability scale.

It was supposed, in accordance with how dimensional indices are understood, that collaborative elements impact reliance rather than the other way around. Manufacturer dominance indices have frequently been utilized as composite indexes (Rody and Frazier, 1991; Frazier et al., 1989; Because internal consistency does not apply to such dimensional composites, it is frequently essential to analyze additional variables that really are consequences of the latent concept to determine authenticity (Lennox and Bollen, 1991). Validation for the hypotheses demonstrates the efficacy of strategic collaboration measures.These factors account for the potential costs of a value lost if the connection ceased, as well as the cost advantages associated with the non. As multidimensional composite indices, manufacturer and dealer collaboration were employed (Bollen and Lennox, 1991).

Commitment definitions and activities in vehicle retail marketing have traditionally included multiple components, often integrating emotional commitment, anticipated continuity, and desire to participate inside the connection (Weitz and Anderson, 1992; Mohr and Nevin, 1990;). Three indications focused on the creation of strategic vision were used to analyze emotional commitment, which is the desire to sustain a connection due to a positive impression of a provider (Meyer and Allen 1984). Expected continuity involves the dealer's opinions of its own and the company's desire to interact strategically, exhibiting the durability of the partnership.

Trust is comprised of two important components that, when combined, can result in system collaboration (Rempel et co., 1985; Harris & Larzelere, 1980;): (1) believe in the partner's honesty, or the belief that partnership will keep their promises, complete their stated role obligations, and be truthful. Scheer and Stern (1992) (2) faith in the partner's goodwill, which is the belief that the partner is collaborating and will not engage in unanticipated activities that might undermine the strategic partnership (Huston and Larzelere, 1980). (Narus and Anderson, 1990)

The manufacturer's care for the dealer's interests or well-being was measured using a five-item supplier benevolence scale. Anderson and Weitz (1989), as well as Noordewier et al. (1991), developed the expectation of continuation based on three criteria (1990). When a manufacturer feels that the dealership is truthful and helpful, trust exists. Five criteria were used to assess the manufacturer's honesty, trustworthiness, and reliability. The willingness to invest demonstrates an interest in participating more fully in strategic partnerships. Willingness to engage was assessed using four distinct scales that examined a wide range of investor qualities, including investment, effort put into the company's automobile model, and willingness to strengthen relationships with the maker, each of which carries a specific level of risk.

The importance of trust in the formation and growth of automotive manufacturer-dealer partnerships

A key challenge in distribution channel theory and research is the development of policies and programs to elicit and sustain desirable sorts of behavior among independent partners in the distribution network (Stern, Achrol, & Kumar,1992; Frazier, 1999;). Strategic cooperation, as according to Agrawal and Lal (1995), minimizes such costs through better efficiency across the entire process since more than half of the prices to consumers is enforced after the items leave the factory.

In this view, trust serves a significantly different function than it does in a symmetric connection. The incentive to interact with the provider is primarily based on rational considerations rather than blind faith in the source. Fear of retaliatory retaliation drives this uncommon dealer

technique.

According to relationship marketing academics, trust inside the exchange relationship is by far the most critical antecedent element for a relational perspective to evolve in channel dyadic relationships (Morgan & Hunt, 1994). Trust has been shown to reduce perceived uncertainty, increase risk-taking behaviors, and create a collaborative and/or productive mindset. (Moorman, Deshpande', Zaltman, &, 1992). (Morgan & Hunt, 1994).

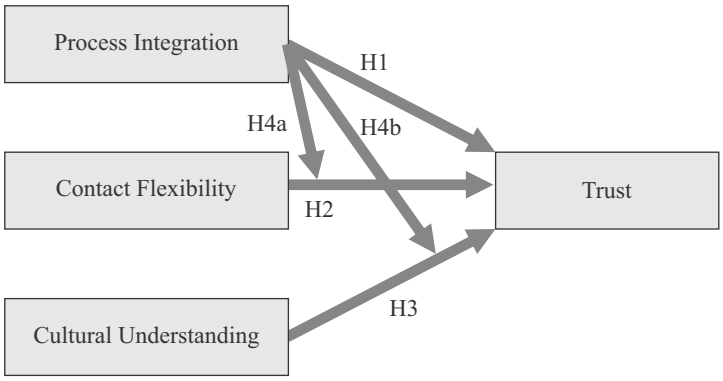

Fig: 2 Mediators of effect of supply chain adaptability (Schoenherr et al., 2015)

It is conceived that both supply chain flexibility and product innovation competence act as important mediators of the effects of supply chain aptitude on new product launch success and firm financial performance (Schoenherr et al., 2015) as shown in Fig 2. The dynamics of the European vehicle industry over the last several decades have demonstrated that there is an excess of supply over demand. Oversupply has resulted inside a stock-push strategy, putting retailers under pressure to reach sales objectives. As a result, in order to ensure effective supply and profit, producers must establish control of their distribution network (Ogenyi, Blankson, 2000) Conversely, the dealer's calculated and inert trust is no longer successful in giving the market and prospective exploitation required to overcome competitors. Manufacturers and dealers should pool their resources to implement the same best market strategy.

They, on the other hand, have used a channel allocation strategy to increase their market presence. Car manufacturers have begun to cut down on the number of middlemen with three main goals and objectives: to reduce cross-selling among dealers within the same corporation; to make life simpler for distributors to profit; and to recapture the proportion of "dealer discount" that distributors are presently obligated to give aside to customers and the ability to cancel the same sale due to the highly competitive game. 2003, Volpato, Buzzavo, and Buzzavo. Figure 1 illustrates that the main European vehicle distribution market lowered its point-of-sales by no and over 15% -20% over a five-year period).

According to academics, asymmetric channel connections in terms of market dominance and market power demonstrate a high degree of conflict as well as low rates of collaboration (Ogenyi, 1998), contact (Kumar, SteenkSheer, et, 1995), belief (Weitz, Anderson, 1989), and stability (Weitz, Anderson, 1989). Reve and Stern (1980) Historically, manufacturers, notably in Europe, have created top-down linkages with distribution networks, resulting inside a power-dependence dynamic (Frazier, 1999).

Gunther Group (2004) polled European dealers to see if they felt the new regulations and contracts implemented with new Block Exemption Regulations in 2002 will have a good or negative impact on certain sectors of their company. The majority of respondents predicted a negative impact. Dealers in Germany and France were certain that the stricter requirements placed on them would harm their company. Many dealers, particularly smaller German dealers, believed that their relationship with the manufacturers had been significantly impacted. BMW in the United Kingdom declared in March 2005 that it was prepared to fire 20% of its dealership network if standards were not reached. Despite sales increasing

by 50 percent in four years to 102 million in 2005, the German automaker has issued a clear warning to 30 of the its 160 U.K. outlets.

The carmaker's supremacy over the other businesses was shaped by the high level of car demand that was always higher than supply until the 1980s (dealers and customers at least). As a result of this "sellers' market," high-profit opportunities have been "funneled to dealer networks, which have essentially acknowledged to give up their entrepreneurship autonomy, which has been largely wiped out by restraints fomented inside the franchisors business arrangement, in exchange for higher earnings levels risk" (Buzzavo, Volpato, 2004).

According to Frazier, this sort of dependency is characterized as a firm's desire to maintain its economic connection with a partner who is considered interchangeable (Kumar, Scheer, Steenkamp, 1998). As a result, when a company is strongly reliant on a distributor, it has a motivation to accept the spouse's policies, programmes, and specific demands, because failing to do so may result in loss of the (valuable) exchange relationship or a portion of the value acquired from of the companion (Yilmaz, Sezen, Ozdemir, 2004)

Many suppliers in the existing empirical set - up had also put in place many well-monitored processes (digital transfer of commands and other information, paper questionnaires of ultimate consumption, customer reviews in internet sites, common end contact information with clients, announced and undisclosed trips by bounding staff, etc.) to this end, letting each other to keep a close eye on distributor behavior and outcome factors (Yilmaz, Sezen, Ozdemir,2004)

This illustrated market environment in Eu (push strategy owing to market pressure as well as the new standard required compliance with the new regulation) necessitates strengthened coordination between automobile dealers and OEMs. As a result, automakers must reconsider how they connect with their distribution system. They must invest significantly not just in modern automotive manufacture, but also in distribution networks (Blankson, Ogenyi, 2000). Unlike confidence in this interconnectedness relationship, which has only a minor effect, it may also enable the relationship behaviors of more dependent representatives of non-symmetric connection dyadic relationships (Sezen, Yilmaz, Ozdemir 2005), and is thus a good method to build a strong relationship with socially beneficial operators.

As a result of a change in European competition legislation, dealers' hostility against manufacturers has grown dramatically in recent years. The most current laws were enacted to create competition inside the sales and support of new cars, as well as to provide customers and manufacturers more options when buying and selling automobiles. They have, in fact, aided automakers in maintaining their stranglehold over dealers. They have compelled manufactures, among many other things, to revise its dealer contracts, which now include a number of new constraints and limits. Increased competition because of a range of economic pressures has resulted in an increase in the employment of incentive schemes, but also to a greater amount of pressure applied by manufacturers over their network in pursuit of higher sales volumes, client satisfaction, and so on.

Results

The total dependency (Interdep) was calculated by adding the ratings for dealer and manufacturer collaboration (Kumar et al., 1967). The asymmetry of joint partnerships (Asymmetry) was determined as the exact amount of the gap between the desire to cooperate of the dealer and the manufacturer.

Another study found that confidence and trust did not differ among partnerships in which merchants felt themselves to be relatively dominant and those in which merchants assessed themselves to be somewhat dependant. Each link was allocated to one of four cells again for purposes of this analysis: low symmetric dependence, dealer comparative reliance, trader relative power, and strong symmetric interdependence. In order to build trust or commitment, there were no significant variations between the first three cells.

The high symmetrical cell, on the other hand, regularly voiced more favorable sentiments, because its connections benefit from both higher Interdep or high Asymmetry. The low asymmetrical cell's dependency surpasses the benefits of symmetrical. Greater

asymmetry, whether in trader relative reliance or supplier relative power, negates the benefits of higher reliance. This might be construed to suggest that when manufacturers engage strategically in vehicle retail marketing, both sides benefit.

As a consequence, this study demonstrates that a loss in dealer income does not automatically reflect a decline in overall dealer support. Non-cash donations to dealers inside the form of management skills, technology, or product expertise contribute to the success of the dealership company. Manufacturers, on either hand, demonstrate exceptional business sense by aiding dealers, enhancing product quality, and cultivating goodwill between dealers and customers. Manufacturers can charge a considerable amount of the monetary expenses of joint efforts to retailer advertising budgets as a result of the combined power of these benefits.

Analysis

Strategic relationships are long-term promises made for both partners' mutual benefit (the dealers and manufacturers). When it comes to buying autos and other consumer durables, consumers have become fussier. Automobile dealers and manufacturers must adhere to strict budgetary guidelines. Manufacturers often give commercial aid to dealers in exchange for smaller, more marketing-oriented dealer associations that support the company's national marketing objectives. Simultaneously, dealership groups face an ever-increasing spiral of running costs. According to vehicle manufacturers interviewed, while the manufacturing industry has already experienced considerable gains in efficiency and advantages from expenditure management, new car sales via car dealers have revealed major regional differences and growing expenses of municipal marketing activities. Many models are selling well.

And according to study's conclusions, strategic alliances are the solution to the decline in vehicle sales. As a result, dealer organizations must collaborate with manufacturers to make the most of their limited resources. Strategic partnerships, as opposed to transitory or short-term sales boosts, are intensive, long-term commitments made for mutual benefit; they often need energy, substantial time, and feelings from both parties.

Automobile manufacturers (80%) feel that properly managed working in a team environment may help increase consumer base, generate new sources of revenue, and cut costs without compromising the goals or quality of either partner. Approximately 70% of car dealers said it could assist dealership groups in financing more showroom construction. Dealerships may take advantage of strategic collaboration if they understand what it is, when it is effective, and how or with whom it can be carried out.

A strategic alliance unites strength and organization to pursue a common goal (Scheff and Kotler, 1987). The parties spend a significant amount of time planning and interacting through well-defined channels. They combine their resources and split the profits. Each individual puts their personal money and credibility on the line, which would be a risky but necessary part of collaboration.

The constraints of the UK's extremely competitive vehicle business place an unavoidable premium on friendly manufacturer-dealer interactions. Their mutual interest mandates that the producer-based use of these not only on what the business expects from wholesalers, but also, and perhaps more importantly, on what the sellers expect.

Dealerships can benefit from economies of scale by combining various administrative tasks, overheads, and expenses. Both dealers and manufacturers have issues with model presentation, shipping, marketing, customer support, and increased sales volumes. Consolidating these processes within dealership and manufacturing groups may result in improved quality and lower costs. Collaboration has enabled several vehicle manufacturers, such as the Ford Company, BMW, Honda, and Hyundai, to reduce administrative costs by 40% on median and allow dealership personnel to earn some extra money by offering car management. As according to O'Sullivan (1995), Samsung is investing a portion of its profits in improving its administrative system, which benefits both partnering companies.

In so doing, the manufacturer will build a spirit of

common interest and trust in its dealers, as well as convince them that they are valuable members of a manufacturer's car retail marketing team. A manufacturer must adjust its policies to meet the self-interest of a dealers and, as a consequence, its own in order to gain the cooperation of a top retailers and, as a consequence, optimum exposure for its line from all across the different market segments. To put it differently, the manufacturer should employ collaborative partnership principles in the case of retail marketing.

Dealers' Contribution to Manufacturers' Competitive Advantage

Most vehicle manufacturers, as well as many industrial machinery manufacturers, sell and maintain their goods through a web of franchised dealers. These dealers both handle the original sales procedure and provide after-sales services. This distribution strategy places dealers at the forefront of the client interaction. Despite having little to no control on product qualities, dealers may have a substantial impact on the consumer experiences. "We are indeed the company as far as the customer is concerned," an executive from such an award-winning vehicle dealership informed us.

Dealers not just to sell things, but also provide a variety of other services both during and after the transaction. The quality of services supplied by these dealers might be the difference between the manufacturer's success and failure. Caterpillar is a prime illustration of how a robust dealer network can save a firm during times of intense competition. Despite Komatsu's considerable cost advantage and excellent product quality, Caterpillar did not succumb to Komatsu in the 1980s, while Japanese manufacturers were edging out their American competitors and dominating the US market. Many observers attribute Caterpillar's success largely to the exceptional services offered by its dealers throughout the product's life (Hitt et al., Fites, 1996; 1995; International Council on Sustainable Development, 2017).

"Our distribution & product support infrastructure has been the single most important factor in Caterpillar's success." [...] we are certain that our single biggest competitive advantage was and continues to be our distribution & product support system" - Donald Fites, Former Chief executive of Jaguar (Fites, 1996, p. 85).

Similarly, dealerships play an important part in the car business. In 2017, 17.2 million automobiles were sold in the United States (Colias and Roberts, 2018), with franchised or individual dealers accounting for many of them. Given market exposure and the critical position of dealers in the supply chain, manufacturers must understand how its perceived service quality affects automotive sales. If dealers are important for sales distinction, businesses must focus more strategically on dealer recruiting, retention, and development. If dealers are much more of a commodities service that does not assist distinguish product sales, brands can regard sales and support as an outsourced operation.

The former recommends that the brand focus on dealer standards of excellence, whilst the latter suggests that the brand focus on dealer standards of compliance. Unfortunately, few empirical research have been conducted on this topic, and the findings have been varied.

These dealers execute a wide range of operations such as sales consulting, maintenance, repair, components provision, recall handling, and financing, putting them in a situation to possibly affect the consumer experience. As a result, it is likely that customers see product quality and dealership service as inextricably linked. As a result, consumer satisfaction with a brand's dealers has a direct impact on the brand's market performance.

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We set out to explore this study in the context of us car industry in our study. Because of its scale and dynamism, the car sector in the United States is particularly well suited. Historically, it contributes for 3 to 3.5 percent of US GDP (Hill et al., 2010). Most of the world's biggest automobile manufacturers have such a

presence across the Country and actively operate dealerships. These dealers wield considerable power in the automotive supply chain and have complete control over the distribution of the products. While automakers create and manufacture the product, dealers provide almost all services.

Having said that, the real importance of vehicle dealers inside the supply chain was a source of contention. Some claim that the democratization of information, online vehicle purchases, and car sharing are altering customer behavior and decreasing their reliance on dealers (Economist, 2015; Bodisch, 2009; Saloner et al., 2000). According to Autonation's CEO, his company has already been dealing with the marketization of the dealer business model

Managerial Implications

Higher overall interconnectedness, on the other hand, encourages greater trust, greater commitment, therefore, most likely, less conflict, even in uneven manufacturer–dealer dyadic interactions. Although total symmetry is a difficult and seldom achieved objective in cooperation, decreasing asymmetry is a more feasible goal. According to the findings of this study, instead of chasing autonomy, dealers should try to increase manufacturers' cooperative approach. Partnerships with strong symmetric reliance between dealers and manufacturers are likely to produce benefits for both sides, such as improved performance. This finding supports Kumar et al (1995).'s claim that the benefits of increasing total reliance are not restricted to a symmetric connection between producers and dealers.

Both businesses will be able to dedicate more time to properly servicing clients and achieving greater levels of customer satisfaction. Customer pleasure is already widely accepted as a metric for market performance by marketing executives, who frequently consider client satisfaction as being one of the key goals of commerce sales promotion. Joint venture profitability will increase if car manufacturers and merchants who make marketing plans can agree on the value of pleasure as a success criterion. Because the goal is to design a plan for managing new vehicle distribution by pooling resources, strategic collaboration helps both dealers and manufacturers to decrease financial burden via effectiveness. A more effective public relations message benefits both partners.

Conclusion

Once companies have decided to collaborate, they must agree on every key decision which must be taken over the project's lifespan. Although dealers and manufacturers share the same goal of developing and selling new vehicles, they also must agree on how each firm may meet its unique set of standards. Manufacturers must provide a fresh feeling of responsibilities to the entire group with the purpose of producing a helpful environment that meets the key requirements of each organization.

To begin the connection, the manufacturer must agree on its own major long-term goals, such as reaching out to new client groups and cutting overheads. Then it should think about what kinds of connections and vendors might be beneficial in meeting those requirements. Manufacturers must consider what they may offer potential sellers. Goals should be established not just for each participating corporate organization, as well as for the partnership as a whole. This necessitates a shared vision across all parties.

Organizations attempting to achieve agreement must decide if consensus entails a democratic majority or a majority ruling. For distinct issues, different principles may be formed. Whatever option is chosen, each member should agree to the criteria and understand that building consensus extends beyond the design phase and continues all through the program's implementation. Trust is perhaps the most important factor in achieving success with partners. Trust is required to achieve an agreement and communicate efficiently. Manufacturing and dealership businesses may benefit from economies of scale by combining several administrative activities and overhead expenses. Consolidating some activities across two or more companies might result in higher quality and lower prices.

Limitations and Research Gap

Although the factors considered by the two dependency components are important in this case, they are not very large. To properly understand the genesis of loyalty or

collaboration, further antecedents are required. Data acquired from two distinct source using two different methods are likely to yield contradictory results. Consequently, the conclusion that the impacts of dealership dependency on loyalty and cooperation are proportionate to the manufacturer's reliance on the dealer may be exaggerated. A thorough understanding of interdependence must take into account both asymmetry and dependence scale. More study is required to determine how the dependent structure influences dyadic behaviour between dealers and manufacturers, including such idea relationships, risk-taking, marriage activities, that with, and influence usage.

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