



- Master's thesis
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**Abstract**

This thesis researches the value the Internet car purchase process creates from a consumer point of view. First, it defines customer delivered value according to Kotler as the difference between total customer value and cost. Next, it defines value proposition as the net value of the benefits and cost of both a product and the processes of finding, ordering, and receiving it. These concepts form the framework for evaluating value in the Internet purchase process. Two separate factors create value in the Internet car purchase process: the Internet and the car purchase process. The Internet as a creator of value for consumers is researched by adopting a framework by Keeney. The Internet car purchase process is constructed through consumer behavior theory on buying process and consumer decision-making, semi-standardized interviews with car buyers, empirical study of Internet automotive business models, and secondary material, such as automotive Studies by Consulting companies. Thus, the paper uses qualitative method with an action-based approach.

In the Internet car purchase process, consumers mostly use the Internet for research on product and price information. They are not comfortable with transacting the rest of their purchase process on the Internet because of high psychic costs. In the year 2001, only 5 of new vehicles were sold through an Internet buying Service. The most important factors hindering growth of Internet car sales are issues with the trade-in car, test-drive, selective distribution by manufacturers, and privacy and Security issues with the Internet. The most profound change the Internet has brought for consumers is a chance for greater awareness of information and alternative choices in the car purchase process. The emergence of automotive Internet enables consumers to shift their focus from 'who sells my car' to 'who gives me the best value', both on- and offline. Thus, work done in an online company must be judged from the customer value point of view. Therefore, this paper gives implications on the most important attributes creating value for Internet car buyers (trust, product, customer Service, and price), the action companies can to take to create a loyal customer through its web site, and, finally, touches on some considerations for automotive online buying services.

Key words	Car, value, purchase process, Internet
Further information	