



Blockchain as a resource for building trust in pre-owned goods' marketing: a case of automobile industry in an emerging economy

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ABSTRACT

Blockchain technology (BCT) has caught tremendous attention from businesses. In the present study, the authors propose that if BCT is used to track a product's life cycle, that is, when it was manufactured, purchased, and used by the first and subsequent owners, the information asymmetry present in the pre-owned automobile market can be significantly reduced. The study uses a qualitative procedure to explore the challenges which buyers, sellers and intermediaries face while buying and selling pre-owned automobiles, specifically in emerging economies. Theoretical constructs of the resource-based view and the trust-based marketing theory are used to explore the extent to which BCT can influence customer purchase intention and the marketing performance of firms dealing in pre-owned automobile products in emerging economies. We collected data by conducting eight focus group discussions with generation Y and Z individuals who had experience of buying or selling pre-owned automobiles. We also conducted five personal interviews with managers of pre-owned automobile online/omnichannel retailers to understand the industry's point of view. Three themes emerged during the study: 'current challenges in pre-owned automobile transactions,' 'scope of blockchain in pre-owned automobile transactions,' and 'concerns regarding blockchain adoption in pre-owned automobile transactions.' We present our findings based on these three themes. Further, we propose a conceptual model and provide theoretical and managerial implications for the pre-owned automobile industry.

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Blockchain technology; resource-based view; pre-owned market; qualitative study; trust-based marketing theory

1. Introduction

Generation Y and Z consumers are rapidly adapting digital technologies in their day-to-day consumption (Parment, 2013; Turner, 2015). Despite this, digital transactions for pre-owned products are lagging. Pre-owned products include automobiles, refrigerators, mobile phones, laptops, desktops, jewelry, etc. (Ackerman & Hu, 2017; Gavazza et al., 2014; Kim et al., 2021). The market size of pre-owned automobiles is larger than that of new automobiles in India. It