

Chance or burden?A study of sustainable business models within the automotive industry: An empirical analysis of BMW Group and Volvo Cars Group

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Abstract [en]
In the upcoming years, our society and economy will face enormous challenges due to global warming, which is caused by the emissions of carbon dioxide and other global-warming gases. Due to its high share of CO2emission, the detrimental role of the automotive industry has recently been put into the spotlight of the public discussion. Thanks to a growing public awareness of climate change and the pollution caused by vehicles, there is now a call for action towards a more sustainable business approach by car manufacturers.

The objective of this research is to investigate the actions taken by car manufacturers to meet these demands and to reveal the driving forces of this transformation. This will be done by an empirical analysis of qualitative data from two of the main companies in this sector, namely the BMW Group and the Volvo Car Group. The data comprises interviews with representatives of the two car manufacturers together which is combined with their non-financial reporting. Furthermore, this study presents the relevant scientific literature on business models. This combination of theoretical and empirical evidence will allow us to shed light on whether sustainability is a chance or a burden for car manufacturers.

The results of our empirical analysis show that a sustainable business model is a chance for car manufacturers to gain a competitive edge against their competitors and thereby ensure their long-term survival. More specifically, a higher sustainability can lead to cost savings in production, new value propositions in marketing, and new revenue models overall. However, the transformation to sustainable business models also poses several challenges for the companies. Nonetheless, in summary, sustainability in the context of business models is more of a chance than a burden.

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