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**A study on market feasibility of paint & body shop in  
Coimbatore city**

By

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Of

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Kumaraguru College of Technology  
COIMBATORE - 641006**

A PROJECT REPORT  
Submitted to the

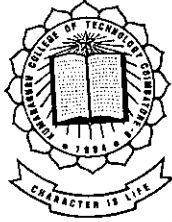
**FACULTY OF MANAGEMENT STUDIES**

In the partial fulfillment of the requirement  
for the award of the degree

Of

**MASTER OF BUSINESS ADMINISTRATION**

June, 2007



Department Of Management Studies  
Kumaraguru College of Technology  
(An ISO 9001:2000 Certified Institution)  
Coimbatore -- 641006

## BONAFIDE CERTIFICATE

Certified that this project titled '**A study on market feasibility of paint & body shop in Coimbatore city**' is the bonafide work of **Mr. S. SARAVANAN (Reg no : 71205631046)** , who carried out this research under my supervision. Certified further , that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

.....  
Project Guide

.....  
Director

Evaluated and Viva-voce held on...3-7-2007.....

.....  
Examiner I

.....  
Examiner II



**COIMBATORE ANAMALLAIS AGENCIES PRIVATE LIMITED**

**ANAAMALAI TOYOTA**

Service Facility

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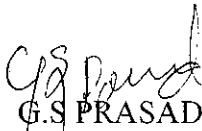
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**PROJECT COMPLETION CERTIFICATE**

This is to certify that **Mr. S.SARAVANAN (Roll No. 05MBA46)** a student of Kumaraguru College of Technology, had undergone a project between **17/01/2007** to **10/502007** entitled **study on market feasibility of paint & body shop in Coimbatore city.**

During the tenure his performance was very good.

  
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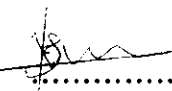
## DECLARATION

I, hereby declare that this project report entitled as “A study on market feasibility of paint & body shop in Coimbatore city”, has undertaken for academic purpose submitted to Anna University in partial fulfillment of requirement for the award of the degree of Master of Business Administration. The project report is the record of the original work done by me under the guidance of Lecturer A. Senthil Kumar, during the academic year 2007-2008.

I, also declare hereby, that the information given in this report is correct to best of my knowledge and belief.

Place: Coimbatore

Date : 1-6-07

  
.....  
(S.Saravanan)

# **EXECUTIVE SUMMARY**

## **Executive Summary**

The four wheeler market in India is witnessing a boom period. The craze have razed up for customizing their cars, according to their taste. It signals the flourishing of the paint & body business. Till now the paint & body business has been a niche market within the unorganized automobile service sector with the growing demand for quality and sophisticated paint & body service from the customer, the organized automobile service sector is keen to enter the market.

Anaamalais agency (P) Ltd., is one such organized player in the Toyota car dealership market-whose credentials are worth mentioning in the Coimbatore locality. A study was conducted to understand the level of service expected by customer in the paint & body shop business. The study focused on the various dimension of service quality. It also tends to identify how the existing users do and potential users of paint & body shop service prioritize quality dimensions.

To accomplish the task a chunk 300 respondents drawn at the convenience of the researcher were put through a survey that unleashed their perception on the attributes of service quality with reference to paint & body shop business.

The study enabled the researcher to conclude that there exists a good market for the paint & body shop business. Since more potential target group are professional people with income level of over 3 lakhs per annum, and were aware of the customization of the cars. Anaamalais agency (P) Ltd., with its proven credentials in delivering sustainable quality service for Toyota cars shall enter into the paint & body shop business.

# **ACKNOWLEDGEMENT**

## ACKNOWLEDGEMENT

I express my sincere gratitude to our beloved correspondent **Prof.Dr.K. Arumugam**, the prime guiding sprit of Kumaraguru College of technology.

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I also express my sincere thanks and appreciation to my friends and family members who helped me in the completion of this project successfully



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# **CHAPTER 1**

## **INTRODUCTION**

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 BACK GROUND OF THE STUDY**

The paint and body business are considered to be more profitable one in auto component industry. The Anaamalais Toyota has been the pioneer in the service provided to the customer. The services are integrated in the service station. With the growth of the automobile market, there is a specific need for the satisfactions of the customer needs are growing. The research is to find out eh market feasibility of paint & body shop in Coimbatore city.

#### **1.2 REVIEW OF LITERATURE**

##### **1.2.1 The Art Of Car Customization<sup>1</sup>**

Consider a piece of clay as a newly bought car from the manufacturer with everything stock. Now you take the clay and put in on the rotating platform to mold the clay into a sculpture/design. The molding of the clay can be viewed as taking a stock car and modifying the body, chassis, interior, etc. once the clay has been baked in the oven, the next phase is to add paint for example to enhance the piece of art. This is linked to applying a custom paint job to the car after exterior modifications have taken place.

##### **1.2.2 The History of Car Customization**

In the 1930's, the Mexicans were migrating to the major urban centers of the southwest in an attempt to flee the Mexicans revolution. Life was tough and they were the social outcast. They were determined to be recognized by society and yet be different. The Mexicans worked hard but earned little. It would take a very long time before a family could afford to buy a car.

“Part of the American dream of the 30s and 40s owned a car, and when the family finally saved enough for that ride, it became almost a member of the family”.

As more and more Mexicans purchased cars, they began to tinker with them. This started up the customizing craze and also made their statement to society. These new custom looks of their showed their desire to be different. It also went against mainstream culture and turned heads immediately. Customizing cars was only the beginning. To go along with their new style, a fashion trend emerged called the “zoot suit craze”. The pachucos now cruised down the boulevard with their custom cars and their zoot suits. The art of car customization continued throughout the decades, but it wasn’t till the 50’s and 60’s when the low riding style would emerge.

As each generation built upon their ancestor’s styles, more and more creativity, could be seen by the public when these highly customized cars took to the streets. At the turn of the century, we still see this art form flourishing strongly with no signs of collapsing.

### **1.2.3 A Work Of Art**

The art of car customization is an interactive art form. Art has traditionally been a non-functional piece of work. But as with everything else in life - change is inevitable. Think about a windmill. Windmills were built to generate power. The wind was the driving force that was converted into electrical energy. The windmills were built just to perform their function.

Now windmills are considered as a work of art. These tall-standing structures are still functional in rural areas and produce electricity for nearby farms, but there is still an element of awe that can be felt when viewing them. They can be seen miles away, as the surrounding areas are more or less flat. As you get closer to them, they get more intense; you are able to make out more detail of the actual design. The blades of the windmill move elegantly in sync with Mother Nature’s breathing pattern – the wind. So windmills have, over the test of time, moved from a functional structure to a work of art and yet remain functional despite art being traditionally non-functional.

In a similar way, cars were built initially to serve a purpose – to get someone from point A to point B. As the decades rolled by, car manufacturers began to focus not only

on function but aesthetics aspects as well. Now the art of car customization has taken the next step in bridging cars and the world of art to produce an interactive art form in so many ways as we will soon realize.

As we have seen, car customization has existed for decades in the form of Low riding. In this new millennium, car customization is still very much alive and its strong presence can be felt and seen, especially during the summer months when all the sports cars take to the road and show off their elegance. Customized cars also show themselves during this period as well and sport a different kind of elegance. Here, these modified cars just leave observers awestruck. A certain aura can be felt when these cars pass us by on the road. We are flooded with a mixture of feelings - wow factor, envy, excitement, and adrenalin rush.

These feelings are similar to the aura that Walter Benjamin talks about when viewing a work of art. He says that: art that is unique or has an aura, is strongly related to tradition. The oldest coexistence of art and tradition is in the form of cults. Now the artwork produced after customizing a car is definitely unique. It is not made for mass reproduction and it cannot be mechanically reproduced. These works of art are created from the ground up. Every artist has their own unique style and thought process that results in these breathtaking pieces of work.

Taking a peek at the history of this art form reveals the emergence of cults as can be seen when the zoot suit craze began in the late 30's. The pachucos were instantly recognized by their own style and opposition to mainstream culture. Groups of pachucos would be seen cruising on the boulevard and were generally labeled as 'bad' by society. To this very day we see a similar cult and fashion existing.

In the world of auto customization, there are some artists who work in groups or are in an auto club that focuses on customization. The members of these groups or clubs recognize what it means to customize cars and appreciate a customized car as a work of art. A cult value can be seen here. Their common goal is to produce original designs and to maintain the aura of each piece of artwork they produce. So we can see that in a broad

sense that these groups can be compared to the cults that Mr. Benjamin often referred to. This cult value also exists in the form of virtual communities, which is a result of the advancement of technology – the Internet. Virtual communities extend the boundaries of this art form even further.

#### **1.2.4 Interactivity**

##### **1.2.4.a Art → ←Environment**

The environment consists of many elements, such as the wind, sun, land etc. When a piece of art interacts with the environment, it uses one or more of these elements to create a new piece of art. So the art is interacting with the environment.

With the advancement of technology over the years, a type of paint called Pearl Paint has been developed. This paint must be applied in several layers on the body of them car to get the full effect and see its true beauty. Pearl paint is somewhat of an illusion. It uses the sun (as the environment element) to change the colour of the paint. So in the sun we see one colour and in the shade we see an alternate colour. There is also a chameleon paint that has been developed for the rims of cars. So now it's possible for the rims to match the pearl paint.

Even vehicle security is customizable. A Nite-Lite® System works on a photocell technology. The sun (or lack of) interacts with the system to determine whether the headlights should be on or off. As the afternoon turns into evening, the system can detect this change and turns on the headlights automatically.

There is even interactivity with the tinting of a car. Advancement in technology has produced a new type of tint. It works similar to the photocell technology. The tint interacts with the sun and becomes more reflective or darker (depending on the type of tint) as the day gets brighter. Here we are seeing the sun (or lack there of) interacting with the tint to control the degree of reflective ness or smoke factor that we see when viewing the car.



#### 1.2.4. b Art → ←Viewer

Customization takes place not only on the exterior of the vehicle, but on the interior as well. Car alarms (part of the art piece) are designed to deter thieves from breaking into your car and stealing audio equipment or even the car itself. There are some alarms, such as the Viper® manufactured by Directed Electronics Inc. (DEI), which offers a voice module option. This voice module is activated (interacting) via a motion sensor when someone (viewer) comes into close proximity of the car. The voice module contains a recording stating that the vehicle is armed with an alarm and that you should step away from the vehicle. If the person does not comply then the alarm would eventually be triggered and siren will sound.

Other add-ons that show this type of interactivity are audio (glass breaking) sensors, motion sensors (good for convertibles), and paging transmitters/receivers. At this point, we should be able to see the Artist à ß Viewer and Artist → ←Artist interactivity forming.

Interactivity between admirers (viewers) and the designer (artist) can take place. This can be commonly seen at car import shows such as the Dark nights Annual Subcompact Car Import Show. Many car enthusiasts flock to these shows and interact with the owners of the customized cars by discussing how the design was conceptualized and what materials were used etc. At these shows you can see a lot of time, effort and creativity were put into the customizing of the cars. In a similar fashion, car owners may interact with one another to come up with new concepts and designs that could be implemented for their next project.

1 Mr. Benjamin., [http://en.wikipedia.org/wiki/Custom\\_car](http://en.wikipedia.org/wiki/Custom_car)

## **1.3 OBJECTIVE OF THE STUDY**

### **1.3.1 Primary Objective**

To study the market feasibility of paint & body shop with reference to auto component market in the Coimbatore city

### **1.3.2 Secondary Objective**

- 1) To find out the most preferred service attributes with reference to prospective customers
- 2) To identify and rank the service qualities expected consider by the prospective customers
- 3) To estimate the revenue potential of prospective customer could contribute toward the paint & body shop business

## **1.4 Statement of Problem**

The study is undertaken to find the potential for setting up of new paint and body shop for the Annamalais group. The study focus on the various level of attributes which are preferred by the customer and also the service qualities provided to the customer. The prospective customers are found out through demographic factors which are considered most desired by the customers.

## **1.5 Scope of the study**

The customization of cars is an untapped market that provides genuine return on investment for good quality service. The market is presently occupied by unorganized service providers. The study shall set scope for the new entrants from the organized sectors to understand the expectation of the customers in term of price affordability and customer perception on paint & body shop services. The study also helps to profile the prospective customer which in turn could help out in segmentation of customers.

## **1.6 RESEARCH METHODOLOGY**

### **1.5.1 Research design**

#### **Descriptive research**

The research is descriptive in nature as the study was done to find out the market feasibility of paint & body shop. The researcher has no control over the variables and they are independent of the state of affairs.

### **1.5.2 Sampling design**

#### **Non-Probability sampling**

Non-Probability sampling is that sampling procedure which does not afford any basis for estimating the probability that each item in the population has of being included in the sample. The items in the population are selected deliberately. The personal element has a great chance of entering into the selection of the sample. Basically the research has been conducted based **on the road survey**, so population is distributed very wide. Here **convenience sampling technique** has been used.

### **1.5.3 Method of data collection**

The method of data collection is very much from the primary source. The questions are well structured and collected through **schedule**. There little difference which lies in the fact that schedule (Performa containing a set of questions) are being filled by the researchers who under take the study. Being the survey conducted on the road the schedule being used for the recording the desired expression by the respondents.

### **1.5.4 Sample size and area of data collection**

From the population the sample of 300 has been selected for the study. The sample is selected brand car users in Coimbatore city.

### **1.5.5 Tools of analysis**

The analysis is done with the percentage and weighted average method. The percentage method has been chosen because the method provides the accurate results and weighted average provides the importance of the factors in the study.

### **1.7 Limitations**

- The population is limited only to 300 respondents.
- Geographical area span with in Coimbatore city limit.
- The data collection is based on the convenience sampling so there shall be bias in the collection of data.

### **1.8 Chapter Scheme**

This project is divided into 5 chapters. Chapter 1 deals with background of the study, review of literature, objective & scope of the study, methodology and limitations.

Chapter 2 covers history of the organization, management, organization structure, service profile, competitive strength and various functional areas.

Chapter 3 covers all macro analysis and micro analysis of the study.

Chapter 4 covers data analysis & interpretation through representation of various tables and graphs

Chapter 5 deals with result, discussion and recommendation provided for the study

# **CHAPTER 2**

## **ORGANIZATION PROFILE**

## **Chapter 2**

### **ORGANIZATION PROFILE**

#### **2.1 History of the organization**

ARC parcel service private limited was started during year 1974 in Coimbatore. The service was considered successful with the good business growth. The ARC parcel service has witnessed a phenomenal growth in the city. It later expanded in to major cities in the south India and there to the north India. Mr. P. K. Duraisamy – BSC, Managing Director, is the successful Man behind the organization. With his contribution towards the company, it has the very good customer base and the wide area of service. The ARC parcel is considered to be the one of the best service provider in the transportation industry.

After the success of the ARC parcel service private limited company expanded into other business. One such business is ATRC, Anamalayar Tyre Retarding Company (ATRC) was started in Erode & Chennai in 1978. The ATRC is considered as one of the best in tyre retarding business. The company with its growth had diversified the business into the other areas. Under the guidance of the managing director the company has acquired the dealership for two-wheelers in 1984, in the name of Anaamalais Agencies, at Nehru Stadium, Coimbatore. The dealership was later expanded with, Bajaj Auto Ltd, in the year 1986.

After the dealership of two wheelers the Anaamalais agencies, the company had joined hands with Eicher motor limited for their heavy vehicle dealership. The agency was started in Coimbatore, and was later expanded to Erode and Nilgris. In the year 2000, Anaamalais agencies further expanded into tractor sales by acquiring the dealership for L&T John Deer tractors. However the venture was not so profitable and hence the dealership was relinquished. The Anaamalais Toyota was established in the year 2000, in

Coimbatore. The dealership with Toyota was considered to be the successful venture for the company. Because of the better sales and service provided by the agency, additional branches of dealership were provided at Trichy, and Madurai.

With increase in the sales of Toyota vehicle in the region, the requirement for better service was considered as an important factor for customer retention. The service center was established for better understanding of the customer requirements, and working towards achieving customer satisfaction. The service station was later expanded to Tirunelveli, Erode, Salem and Kumbakonam. With seven years of completion of dealership the Anaamalais Toyota has been a leader in the providing the 3'S (sales, service, spare parts) for the customer. Hence, they are one among the leading dealers in Tamil Nadu.

After the successful in the business of dealership the company diversified its business into the packed drinking water. The ARC Aqua Puraa, Mineral water was started in the year 2004 at Palani. The ARC aqua puraa is a main supplier of packed drinking water to all the companies under Anaamalais groups.

## 2.2 Management

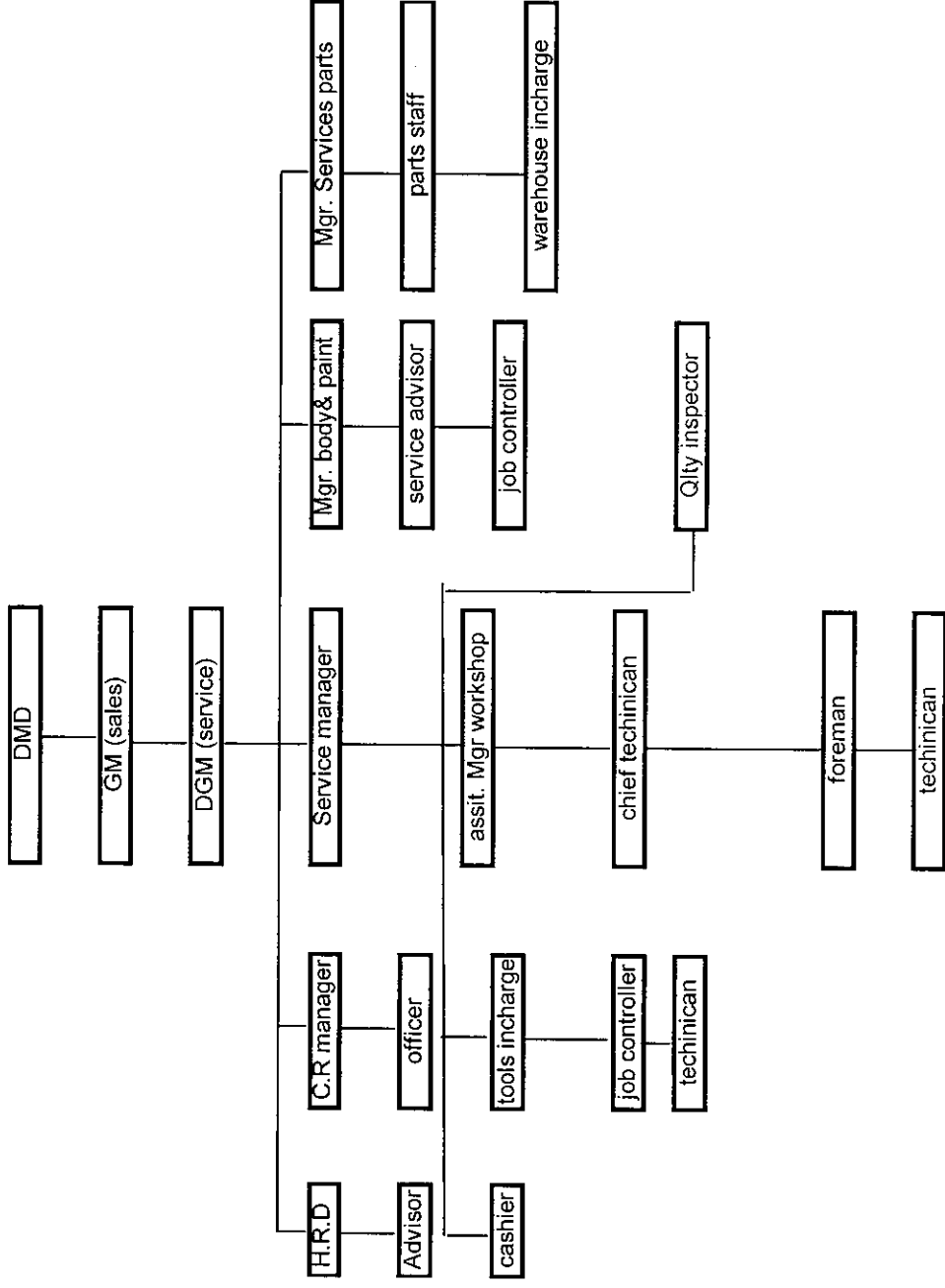
<b>S. No.</b>	<b>Name of the Directors</b>	<b>Designation</b>
1	Mr. P.K. Duraisamy	Managing Director
2	Mr. C.N. Selvakumar	Joint Managing Director
3	Mrs. Puspalatha Selvakumar	Director Finance
4	C.S. Vignashwara	Deputy Managing Director
5	Mrs. S. Alagumaheshwari	Director Marketing
6	Mr. M. Ragu Ram	Director Operations
7	Mr. C.S. Sidarath	Director Technical



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### 2.3 ORGANIZATION CHART OF ANAAMALAIS TOYOTA



## 2.4 Service profile

The Anaamalais Agency delivery business value under three main heads:

- Sales
- Service
- Spare parts

### 2.4.1 Sales

Anaamalais Agency is into sale of different vehicle offered by Toyota. They are:

#### 2.4.1. a Toyota corolla



The corolla is offered in two type 5-speed manual and 4-speed automatic transmission types. The car is offered in six variant colors- white pearl mica metallic, black mica, silver metallic, light green mica metallic, champagne mica metallic, and super white.

The total length of the vehicle is 4530 mm with wheel base of 2600mm. Other features of the vehicle are intelligent auto head lamps, elegant 10-spoke alloy wheels, classy LED rear combination lamp, and convenient audio controls on steering wheel, stylish wooden steering wheels, superior cooling, premium quality sound, powerful 1.8-litre, VVT-i engine, dependable SRS airbags, and Anti-lock braking system.

#### 2.4.1. b Toyota Innova



The Toyota Innova is offered in three grades – E, G & V. Innova is offered in both fuel variant-petrol and diesel. The length is 4555mm, and wheel base is 2750mm. The colors offered are- white, super white, silver metallic, beige mica metallic, and dark blue mica metallic, light green mica metallic.

Other feature of the Innova are- D-40 common-rail diesel engine or VVT-i petrol engine, advance meters, premium sound system, ergonomic instrument panels, global outstanding assessment body, anti-braking system, supplementary restraint system-airbags.

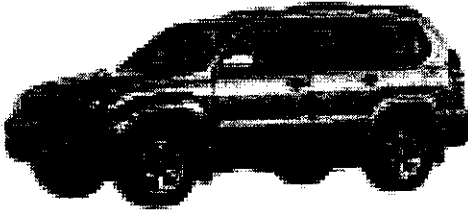
#### 2.4.1. c Toyota Camry



The Toyota Camry is offered in two types – 5-speed MT and 5-speed AT transmissions. The length is 4815mm, the wheel base 2775mm. The colors are offered in white, super white, silver metallic, beige mica metallic, black, and light blue metallic.

Other feature of the Camry are-retractable head lamp cleaner, auto light control system, rain sensing wiper, new 16' alloy wheel, anti-braking system, supplementary restraint system-airbags.

#### 2.4.1. d Toyota Land Cruiser Prado



The Toyota Land Cruiser Prado is offered in single engine type: 1GR-FE, Petrol, 5-speed automatic transmission. The length is 4715 mm, the wheel base is 2790mm. The colors offered in black, beige metallic, dark red mica, silver metallic, and white.

Other features of the Toyota Land Cruiser Prado are retractable Double Wishbone type suspension Brakes- Ventilated Disc, aluminum wheel 7.5 JJ tubeless, anti-braking system, and supplementary restraint system-airbags.

## **2.4.2 Competitive strength of the company**

The service station is spread over the space of 3 acres. The time delivery, world class equipments, spacious work floor the work space reduces the time lay for the services provided.

### **2.4.2.1 Achievements**

- Best Customer service performance award in the year 2005
- Best Customer service performance award in the year 2004
- Toyota standard of excellence for customer service 2005
- Best kaizen forum activities award in the year 2005-06

### **2.4.2.2 Factors contributing to over all performance**

- ❖ In-service experience
- ❖ Service delivery
- ❖ Service advisor
- ❖ Service initiation
- ❖ User friendly service
- ❖ Service quality
- ❖ Problem experienced

## **2.5 Functional areas in service station**

- Service- General Service-action service
- HRD
- Customer Relationship
- Maintenance
- Service-spare

### **2.5.1. a) Service – General Service**

Here the general services are done. The service advisor is directly involved in fulfilling the requirement of customers. The free services are performed according to the warranty period. The free service is provided with water and labour charges, but costs of the spares are excluded. The general service section consists of 40 workers. The general service in charge takes care of operation in the section.

### **2.5.1. b) Service – Action Service**

Here the work is included in both the body and paint shop. The vehicle owner should get the appointment for availing the service. Generally a vehicle which has to be changed with the parts, painting or met with any minor accidents is worked here. More than 40 workers are in the process of the service of which there are contractor worker divided into two teams for the better efficiency. The owner of the vehicle has to submit the insurance and pay the advance amount before the work can be started. Normally the date of work schedule is fixed and the particular target is set on to complete the work.

### **2.5.2 Human resource department**

The human resource department is the control of the 6 service station. In the Coimbatore service station it takes care of 100 employees. The two member of the department control the entire operation of the zone. The recruitment, training, salary and attendance are controlled by the assistance manager. Were as the settlement, ESI, PF, are taken care by the department head. The member takes care of the entire training

requirement with the Toyota and arranges the necessary training -on the job as well as the special training class taken by the experience person from the service station.

### **2.5.3 Customer Relationship**

Here the customer relationship manger is the better coordinate the activity of the service station and provide the customer relation. The manager deals with all the grievance of the customer and maintains the required service with compensation over the quality of the service used. The manager maintains complains list so that in future the same problem may not arise and better service is provided.

### **2.5.4 Maintenance**

The manager has the control over the various operations in the service station. The periodic inspection of various machinery, proper maintain of the tools and equipments, water treatment plant, pollution free environment, maintain good environment for work and the proper disposal of the waste oils, rubber, and other toxin materials.

### **2.5.5 Spare parts**

This department is the incharge of the various materials issued for the both the service shops. The spare manager keeps the track of the flow of the materials and stocks them according to the requirement. Is any part is not available the order is sent to the Toyota spare part office and the order is place and the duration for the reaching of the order is 19 hours. The spare manager is also controller of all the 6 zone of service station. The specific target is given by Toyota and the target is achieved by the flow of the spare.

# **CHAPTER 3**

## **MACRO -MICRO ANALYSIS**



## Chapter 3

### MACRO ANALYSIS

#### 3.1 Market Overview

The automotive sector comprises the Original Equipment Manufacturers (OEMs) and auto component manufacturers. Globally, the automotive industry is recognized as a key component and driver of national economy. The global automotive industry is in the midst of a major structural transformation –

- ❖ Among OEMs, global conglomerates are emerging, driven by mergers and alliances among manufacturers (eg: GM/Fiat/ Suzuki; Ford/Volvo/Mazda).
- ❖ Component manufacturers, or suppliers, are getting, with Tier 1 suppliers taking on the role of component aggregation and module supply/assembly, and component suppliers being relegated to Tiers 2 or 3.
- ❖ Relationships between OEMs and suppliers (especially Tier 1s) are becoming increasingly collaborative.

These trends have affected the Indian auto industry as well, leading to a rapid transformation of the industry over the last decade or so. After the end of licensing in 1993, the industry has witnessed rapid growth in volumes and capacity, and 17 new ventures have come up in the last 10 years. These include global giants such as General Motors, Ford, Toyota, Honda, Hyundai and Fiat. The industry encompasses commercial vehicles, multi-utility vehicles, passenger cars, and auto components. The domestic automobile market has been growing at 14.2 per cent CAGR over the past 4 years (2000-01 to 2004-05), while the auto components market has been growing at 19.2 per cent CAGR (2000-01 to 2003-04). The industry (OEMs and suppliers together) contributed nearly 4 per cent to the country's GDP in 2003-04. The automotive sector also offers significant employment opportunities. It employs 0.45 million people directly and around 10 million people indirectly.

The industry's capabilities in design, engineering and manufacturing have been recognized the world over, and most automotive majors are looking to increasingly

source auto components from India. India is emerging as one of the most attractive automotive markets in the world, and is poised to become a key sourcing base for auto components. The table below captures the highlights of the sector in India that illustrates its growing significance.

### **3.1.1 Indian Automobile Industry**

- The 4th largest passenger vehicle market in Asia
- The 5th largest commercial vehicle market in the world

The industry structure spans all segments and is concentrated in regional clusters. The India automotive sector has a presence across all vehicle segments and key components. In terms of volume, two wheelers dominate the sector, with nearly 80 per cent share, followed by passenger vehicles with 13 per cent. The industry had few players and was protected from global competition till the 1990s. After government lifted licensing in 1993, 17 new ventures have come up. At present, there are 12 manufacturers of passenger cars, 5 manufacturers of multi utility vehicles (MUVs), 9 manufacturers of commercial vehicles, 12 of two wheelers and 4 of three wheelers, besides 5 manufacturers of engines. With the arrival of global players, the sector has become highly competitive. Concentrated in regional clusters Automobile manufacturing units are located all over India. These are, however, concentrated in some pockets such as Chennai and Bangalore in the south, Pune in the west, the National Capital Region (NCR, which includes New Delhi and its suburban districts) in the north, Jamshedpur and Kolkata in the east and Pithampur in the central region. Following global trends, the Indian automotive sector also has most auto suppliers located close to the manufacturing locations of OEMs, forming regional automotive clusters. Broadly, the main clusters are centered on Chennai, Pune.

Auto Components sector is highly fragmented The Indian automotive component industry is highly fragmented. There are nearly 6,400 players in the sector, of which only about 6 per cent are organized and the remaining 94 per cent are small-scale, unorganized

players. In terms of value added, however, the organized players account for nearly 77 per cent of the output in the sector. The sector manufactures components across all key vehicle systems. The automotive sector is growing strongly in both domestic and exports markets Indian automobile industry has been performing well both in the domestic and the international markets.

### **3.1.2 Automobiles - Domestic Performance**

The production and domestic sales of the automobiles in India have been growing strongly. While production increased from 4.8 million units in 2000-1 to 8.5 million units in 2004-05 (a CAGR of over 15 per cent), domestic sales during the same period have gone up from 4.6 million to 7.9 million units. A positive trend in the domestic market is that the growth has not been driven by one or two segments, but is consistent across all key segments. Two wheelers, which constitute the majority of the industry volume, have been growing at a rate of 14.3 per cent, three wheelers at a rate of 14 per cent and passenger vehicles at a rate of 11.3 per cent. Commercial vehicles have been growing at a higher rate of nearly 23.5 per cent, although from a lower base.

Since nearly all macro-economic indicators – GDP, infrastructure, population Demographics, interest rates, etc. – are showing a favorable trend, the domestic market for automobiles in India is expected to continue on its growth. The outlook for India's automotive sector is highly promising. In view of current growth trends and prospect of continuous economic growth of over 8 per cent, all segments of the auto industry are likely to see continued growth. Large infrastructure development projects underway in India combined with favorable government policies will also drive automotive growth in the next few years. Easy availability of finance and moderate cost of financing facilitated by double income families will drive sales in the next few years.

India is also emerging as an outsourcing hub for global majors. Companies like GM, Ford, Toyota and Hyundai are implementing their expansion plans in the current year. While Ford and Toyota continue to leverage India as a source of components,

Hyundai and Suzuki have identified India as a global source for specific small car models. At the same time, Indian players are likely to increasingly venture overseas, both for organic growth as well as acquisitions. The automotive sector in India is poised to become significant, both in the domestic market as well as globally.

## **MICRO ANALYSIS**

### **3.2 Coimbatore Market**

The growth in the automobile industry has given the new service sprinkle in the serving the customer needs. With growth of software companies in the region have given the consumer for more disposal income. The change in lifestyle, more demand based on the consumption of various services has given opportunity for the customization of cars as the cash cows for the company. More educational institutions, growth in the movement of passenger and commercial vehicle in the city have given the service provider to have the greater market share. At present there are few players in the customization of cars.

The unorganized sector of the customization of cars have few players like- road runner, kit up, car décor, etc. In the market the kit up has the major market share, in the total custom car. The service providers are not located in the cluster but the located in the easy reach of the customer. The whole of the car can be customized according to the customer requirement. The main customers for the service provider are the stylish and young people who have main motive to be unique in nature. The custom car service have unique way of the satisfying the customer. The service providers have the greater dimension and use of modern equipment in the custom of the car.

# **CHAPTER 4**

## **DATA ANALYSIS & INTERPRETATION**

## CHAPTER 4

### DATA ANALYSIS AND INTERPRETATION

**Table 4.1**

The table showing the Occupation of respondents

S. No	Particulars	No. of Respondents	Percentage of Respondents
1	Professional	138	46.0
2	Employee	61	20.3
3	Students	58	19.3
4	Self Employed	43	14.3
	Total	300	100.0

#### Interpretation

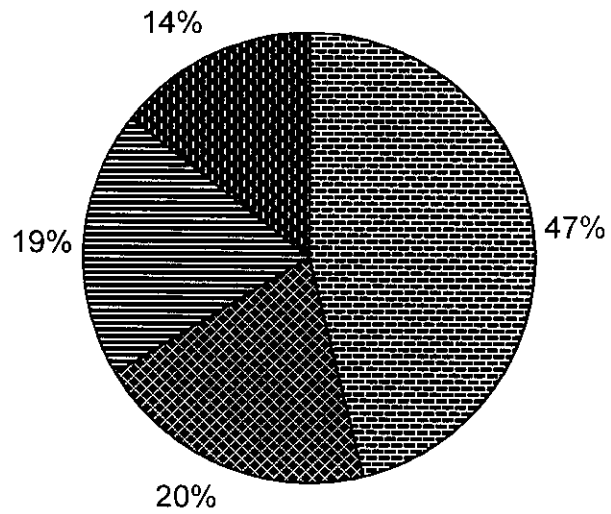
The table 4.1 classifies the respondents according to their occupation. The respondents are classified as the students, salaried, professional and self employed. The research has found that professional people have the larger income.

#### Inference

The above table infers that half of the respondents i.e., 46% are professionals by occupation.

**Chart 4.1**

The chart showing the Occupation of the respondent



Professional Employee Students Self Employed

**Table 4.2**

The table showing income level of the respondents in Rupees

S. No	Particulars	No. of Respondents	Percentage of Respondents
1	Above 3 lakhs	197	65.7
2	1-3 lakhs	96	32.0
3	Below 1 lakh	7	2.3
	Total	300	100.0

#### Interpretation

The table 4.2 shows that the respondents are widely distributed among the various income levels. About 65.7 % of the respondents earn more than rupees 3 lakh per annum. Another 32% earn between rupees one to three lakhs. The remaining 2.3% earn less than a lakh rupee per annum.

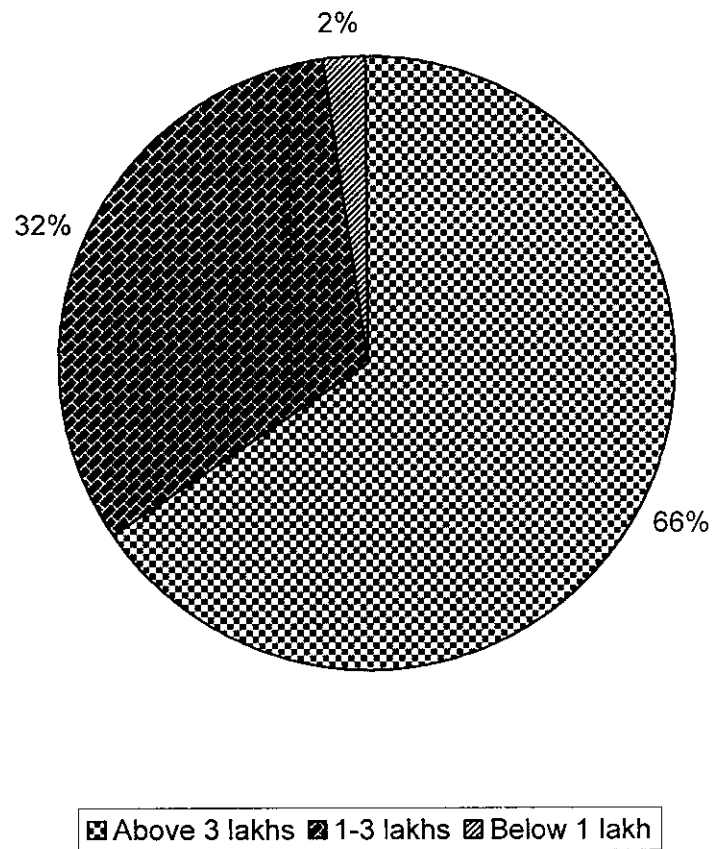
#### Inference

The above table infers that around 66% of the respondents are belonging to income level of above Rs. 3 lakhs per annum.



**Chart 4.2**

The chart showing the income level of the respondent



**Table 4.3**

The table showing the place of car service

S. No	Particulars	No. of Respondents	Percentage of Respondents
1	Work Shops	188	62.7
2	Service Station	112	37.3
	Total	300	100.0

#### Interpretation

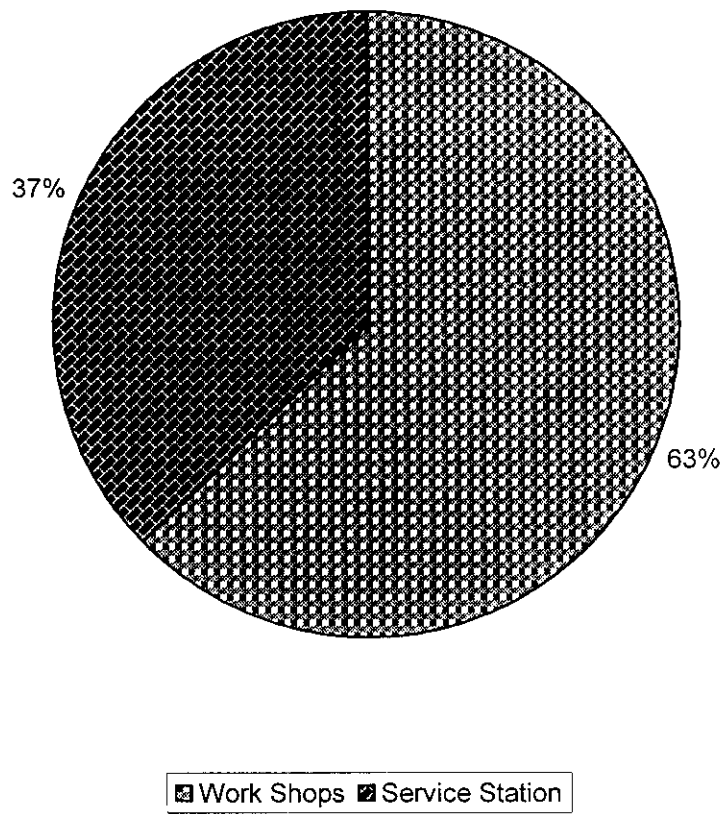
The table 4.3 shows the respondents usage of the service. About 62.7% of the respondents service their car only through local workshops. The remaining 37.3% of the respondents service their car through the company service station.

#### Inference

The above table infers that around 63% of the respondents i.e., use local workshop for service their cars. It also underlines that the local workshop still play on influential role in the auto service industry.

**Chart 4.3**

The chart showing the car serviced of the respondent



**Table 4.4**

The table showing the satisfaction level of respondents

Satisfaction Level with reference to service station

Particulars		Highly satisfied	Satisfied	Neutral	Dissatisfied
Car serviced	Service station	11	87	14	0
Percentage		10	78	12	0

Satisfaction Level with reference to service station

Particulars		Highly satisfied	Satisfied	Neutral	Dissatisfied
Car serviced	Work shop	1	26	155	6
Percentage		0.5	14	82	3.5

S. No	Particulars	No. of Respondents	Percentage of Respondents
1	Highly Satisfied	12	4.0
2	Satisfied	113	37.7
3	Neutral	169	56.3
4	Dissatisfied	6	2.0
	Total	300	100.0

Interpretation

Table 4.4 shows that 56.3% of the respondents are neutral about the satisfaction level. Out of 169 respondents 155 are user of workshop for servicing the cars remaining 14 are users of service station. 37% of the respondents are satisfied with the service provided, out of 113 respondents 87 are users of service station and remaining 26 are users of

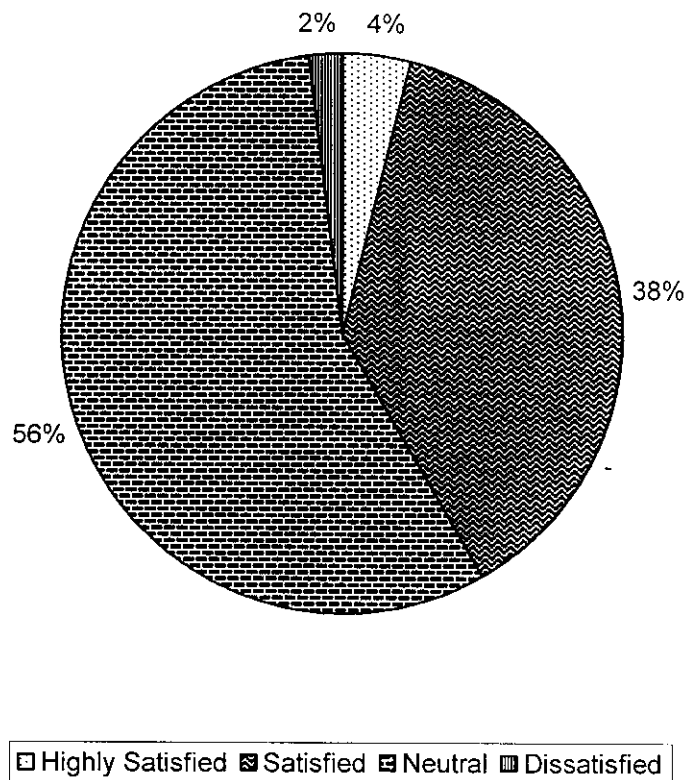
workshops. Remaining 4% of the respondents are highly satisfied with the service provided. Out of 12 respondents 11 are users of service station and remaining are users of workshop.

#### Inference

The above table infers that 56% of the respondents are neutral about satisfaction level of service provider. The service station users are more satisfied over work shop users. The level of satisfaction is relatively high for the respondents who service their cars in the authorized service station. Hence the preferred location for service tends to be the service station.

**Chart 4.4**

The chart showing the satisfaction level of the respondent



**Table 4.5**

The table showing the awareness of the customization of cars

S. No.	Particulars	No. of Respondents	Percentage of Respondents
1	Yes	295	98.3
2	No	5	1.67
	Total	300	100

#### Interpretation

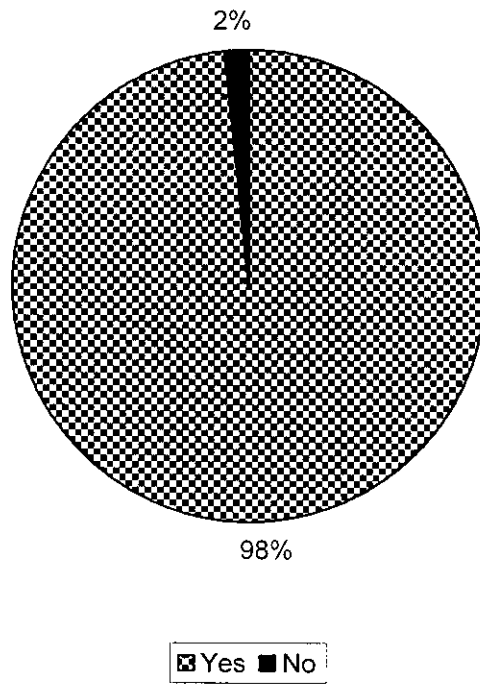
The table 4.5 shows indicate that 98.3% of the respondents are aware about the customization of cars. The remaining 1.67% is unaware of the same.

#### Inference

The above table infers that almost all, i.e., 98% of the respondents are aware of the customization of cars

**Chart 4.5**

The chart showing the satisfaction level of the respondent





**Table 4.6**

The table showing the usage of customization of cars

S. No	Particulars	No. of Respondents	Percentage of Respondents
1	Users	80	26.7
2	Non users	220	73.3
	Total	300	100.0

#### Interpretation

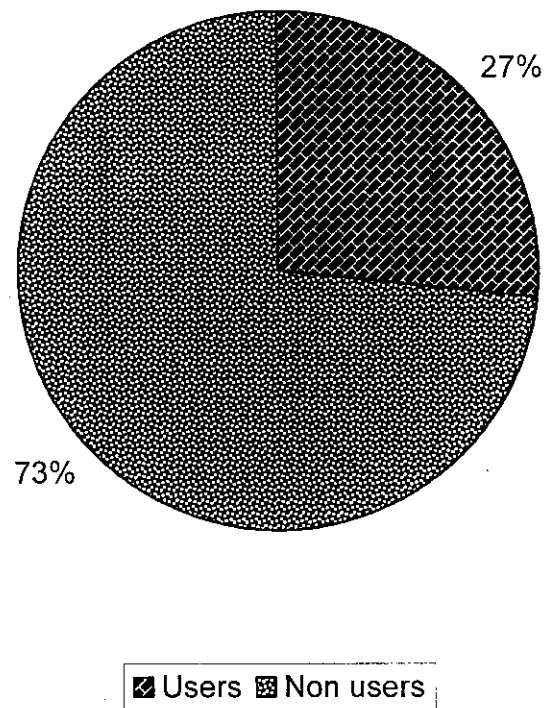
The table 4.6 shows that 26.7% of the respondents have already customization their cars, while the remaining 73.3% have not yet customized.

#### Inference

The above table infers that 73% of the respondents are non users of the car customization service.

**Chart 4.6**

The chapter showing the serviced users and non users



**Table 4.7**

The table showing the factors influencing quality of service

S. No.	Particulars	Weight average score
1	Price	6.33
2	Brand	6.18
3	Uniqueness	4.2
4	Time	4.13
5	Value	4
6	Safety	3.8
7	Spare Parts	1

#### Interpretation

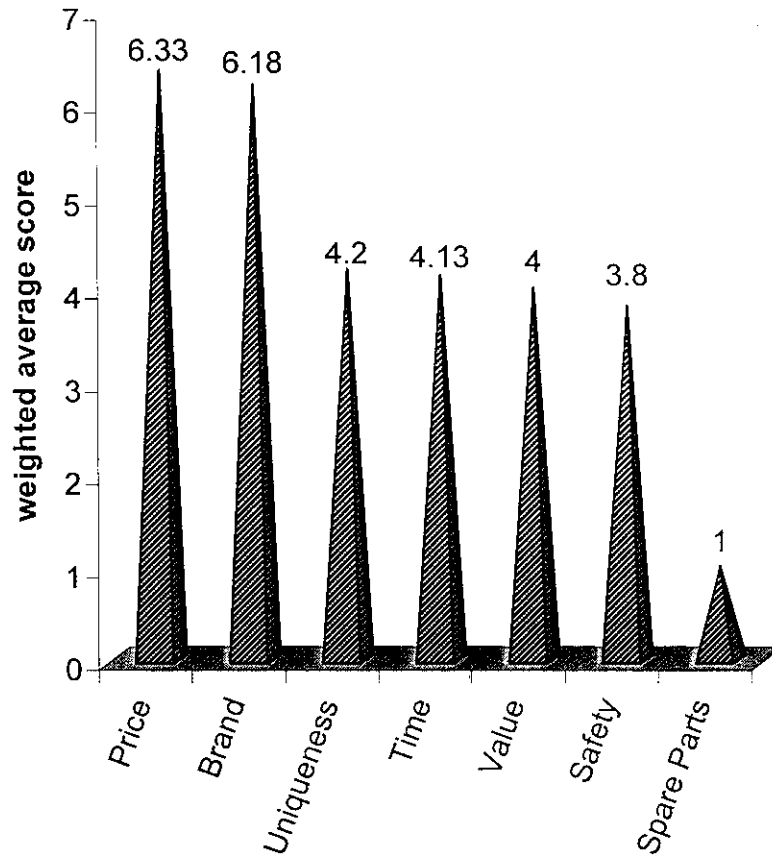
The table 4.7 highlights the relative importance given by the respondents for various attributes of tangibles service quality. The price attribute gain relatively higher weighted average of 6.3. The brand attribute is closely competing with the price attribute for a weight average of 6.18. Uniqueness gain 4.2 weighted average score followed by time, value, safety, and spare parts with their weighted average score of 4.13, 4, 3.8 and 1 respectively.

#### Inference

The above table infer that customer attach much weight age to price charged for the service, brand of the service, and the uniqueness is delivering the service as critical attributes in availing the quality of tangible service delivered.

Chart 4.7

The chart showing the factors influenced in a service



**Table 4.8**

The table showing the Dimensions of service quality

S. No.	Particulars	Weighted average score
1	Reliability	9.43
2	Tangibles	5.12
3	Assurance	4.23
4	Empathy	4.17
5	Responsiveness	3.95

#### Interpretation

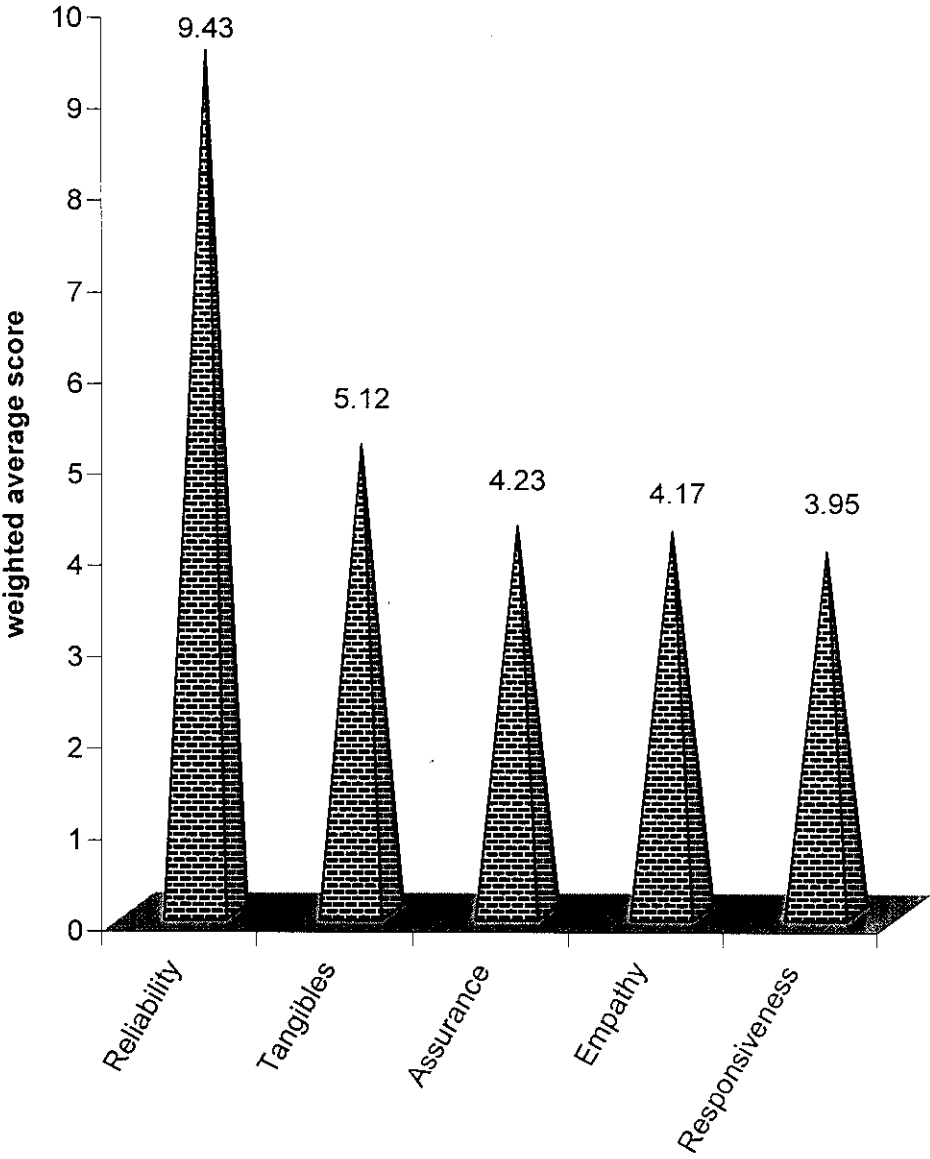
The table 4.8 shows the customers perception on the dimension of intangible service quality. The maximum weight average score is 15. Out of 15, the dimension on providing reliable service attracts a weight average score of 9.43. The respondents consider the tangible benefits derived from the intangibles service as another important dimension with a weight average score of 5.12. The assurance of service in term of works committed is regarded as another vital service dimension by the respondents with a weight average score of 4.23. The respondents do respect the need for human touch in term of empathetical behaviors by the service station personnel. The same is captured with a weight average score of 4.17. However, the dimension of the responsiveness measured weight average score of 3.95.

#### Inference

The above table infers that reliability of service with a weight average score of 9.43 out of 15, and tangibility of the service with weight average score of 5.12 out of 15 gains importance in determining the extent of satisfaction of service delivered to the respondents.

Chart 4.8

The chart showing the Dimensions of service quality



**Table 4.9**

Classification of respondents according to the usage, income level and average revenue generation possibility

## a) Users of paint &amp; body shop

<b>Income level per annum in Rupees</b>	<b>Above 3 lakhs</b>	<b>1-3 lakhs</b>	<b>Below 1 lakh</b>
Weight average score	11	10	3
Average revenue per visit	2,00,000	1,50,000	40,000
Number of Respondents in a Category	30	11	1
Average Revenue Generated (Rs.)	60,00,000	16,50,000	40,000
	Total		<b>76,90,000</b>

## b) Non users of paint &amp; body shop

<b>Income level per annum in Rupees</b>	<b>Above 3 lakhs</b>	<b>1-3 lakhs</b>	<b>Below 1 lakh</b>
Weight average score	9	8.75	3.57
Average revenue per visit	90,000	90,000	40,000
Number of Respondents in a Category	95	32	1
Average Revenue Generated (Rs.)	85,50,000	28,80,000	40,000
	Total		<b>1,14,70,000</b>

## Interpretation

The table 4.9.a and 4.9.b shows the average revenue in rupees could be generated from the existing customer and prospective customer respectively.

The revenue prospects are arrived as follows:

- 1) Each of the paint & body shop components were divided into major categories such as engine components, external accessories, internal accessories, suspensions, wheels, audio system and paint.
- 2) Each of the components was provided weight according to the cost of components. The more the cost the higher the weight.

- 3) All the weight is club together to find out total of each respondent. The total value is summed up and divided with the number of respondents under each income category.
- 4) The average of each respondent are matched and grouped under the specific revenue generation category. The same serve for targeting potential respondents according to their income category and also the possible average revenue that could be generated from then.

Table 4.9.a indicates that there is a potential to generate average revenue 76,90,000 from the existing users of paint & body shop. However from the total estimate a major chunk of Rs. 60,00,000 could be generated from the respondents whose income is above 3 lakhs per annum. Another Rs. 16,50,000 could be generated from the respondents whose income is between 1-3 lakhs per annum. The remaining lean amount of Rs. 40,000 could be generated from respondents whose income below 1 lakh per annum.

Table 4.9.b indicates that there is a potential to generate average revenue 1,14,70,000 from the existing non users of paint & body shop. However from the total estimate a major chunk of Rs. 85,50,000 could be generated from the respondents whose income is above 3 lakhs per annum. Another Rs. 28,80,000 could be generated from the respondents whose income is between 1-3 lakhs per annum. The remaining lean amount of Rs. 40,000 could be generating from the respondents whose income below 1 lakh per annum.

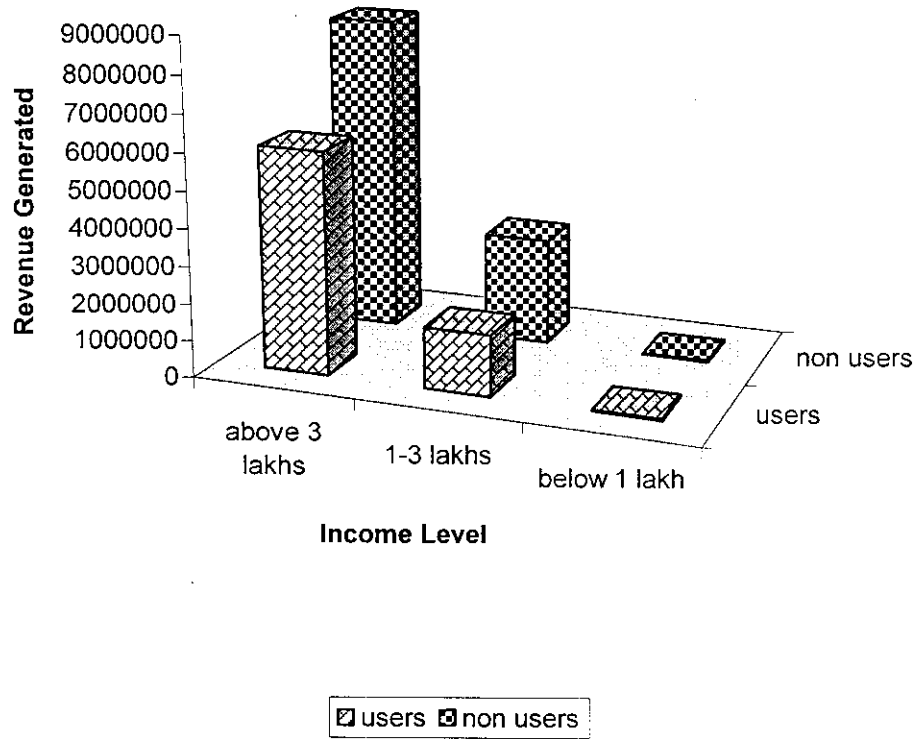
#### Inference

The above table infers that there exists a good market size for the paint and body shop business. The untapped market is relatively higher than tapped market. The untapped market exist to the extent of Rs. 1,14,70,000 and existing market Rs. 76,90,000. Two third of market size is influenced by respondent whose income level is above 3 lakhs per annum.



Chart 4.9

The chart showing the revenue generated by user and non users of service



# **CHAPTER 5**

# **CONCLUSION**

## Chapter 5

### Conclusion

#### 5.1 Findings

- 1) The researcher has found that 46% of the respondents are professionals by occupation.
- 2) The researcher has found that 66% of the respondents are belonging to income level of above Rs. 3 lakhs per annum.
- 3) The research clearly shows 63% of the respondents i.e., use local workshop for service their cars
- 4) The data shows that 56% of the respondents are neutral about, satisfaction level of service provider
- 5) The data show that 78% of the respondents using service station are satisfied with the service provided.
- 6) The data show that 82% of the respondents using workshop are neutral about satisfaction level service providers.
- 7) The data shows that 98% of the respondents are aware of the customization of cars.
- 8) More than 73% of the respondents are non users of the car customization service.
- 9) The price and brand are considered the main factors for the selection of the service provider
- 10) The reliability is considered the most important attributes in the service provided.
- 11) The prospective non user of the service generates more revenue for service provider.

## 5.2 SUGGESTION

The custom cars are in the unorganized sector and thus throw a great potential for the quality of service with more appealing service to the specific target segment.

Hence a service proposition shall focus on the dimension of the service quality

- ❖ Reliability: promises reliability to the customer care and provides prompt service.
- ❖ Responsiveness: encourage the employees to give prompt service, making the employees respond to customer need and request. Employees should be trained and empowered, facilitating decision making to some extent.
- ❖ Assurance: deal with customer courteously, imparting adequate knowledge of the service available.
- ❖ Empathy: concentrate on aspects like individual attention to the customer.

The more respondents are aware of the customization of cars but, they are not aware of the service provided. So the company can make special advertisement for target group through hoarding, local print media and other media to create brand awareness for the service.

The organization targets the customer whose income range is above Rs. 3 lakhs per annum.

The respondents attach more interest towards the paint works whilst the customization of their cars. The existing service infrastructure of the organization do support for the specialty paint works. Hence the specialty paint works shall be focused as a unique selling point by the organization.

### 5.3 CONCLUSION

The four wheeler market in India is witnessing a boom period. The craze have razed up for customizing their cars, according to their taste. It signals the flourishing of the paint & body business. Till now the paint & body business has been a niche market within the unorganized automobile service sector with the growing demand for quality and sophisticated paint & body service from the customer, the organized automobile service sector is keen to enter the market.

Anaamalais agency (P) ltd., is one such organized player in the Toyota car dealership market-whose credentials are worth mentioning in the Coimbatore locality. A study was conducted to understand the level of service expected by customer in the paint & body shop business. The study focused on the various dimension of service quality. It also tends to identify how the existing users do and potential users of paint & body shop service prioritize quality dimensions.

To accomplish the task a chunk 300 respondents drawn at the convenience of the researcher were put through a survey that unleashed their perception on the attributes of service quality with reference to paint & body shop business.

The study enabled the researcher to conclude that there exist a good market for the paint & body shop business Anaamalais agency (P) ltd., with its proven credentials and delivery sustainable quality service for Toyota cars shall enter into the paint & body shop business. The recommendation made shall be given priority, while deciding the customer segmentation and service specialization.

**ANNEXURE**

**‘A study on market feasibility of paint and body shop in Coimbatore city’**

**QUESTIONNAIRE**

- 1) Occupation:       Student                       Professional  
                                   Employee                       Self-Employed
- 2) Annual income (in Rs.):     Below 1 lakh     1-3 lakhs     above 3 lakhs
- 3) Car brand:
- 4) Year of purchase:
- 5) Where do you get the car serviced?  
 Service station     Work shops
- 6) Are you satisfied with the service provided?  
 Highly satisfied               Satisfied               Neutral  
 Dissatisfied               Highly Dissatisfied
- 7) Are you aware of the customization of cars?                       Yes               No
7. a) If yes, had you customized the car already?                       Yes               No
7. a.i) If yes, to what extent you have availed the service?  
 Engine Components     Exterior Accessories     Interior Accessories  
 Suspensions     Wheels     Audio System     Lighting     Paints
7. a.ii) If no, would you prefer to avail the service in future and to what extent?  
 Engine Components     Exterior Accessories     Interior Accessories  
 Suspensions     Wheels     Audio System     Lighting     Paints

8) Rank the attributes you prefer before availing the service?

Brand name		Price		Uniqueness		Safety	
Value		Time		Spare parts availability			

9) Measuring of service quality expected by customer?

Particulars	Very important	Important	Normal	Less Important	Unimportant
Providing service at promised time					
Handling customer service problem					
Performing service effectively					
Information on service time duration					
Prompt service to customer					
Willingness to help customer					
Readiness to respond to customer request					
Consistently courteous employees					
Employees technical knowledge to answer customer requirement					
Individual attention on the customer					
Employees action matching the customer needs					
Easy access to the service provider					
Availability of Modern equipment					
Visually appealing facility					
Professional appearance of the Employees					

Any other suggestion (specify)-----



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