

THE CAR AFTERSALES MARKET IN EUROPE AND LATVIAN REGIONS

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ABSTRACT

Currently, most companies in the industry generate the largest portion of profit from aftersales of passenger cars (maintenance services and sales of spare parts), but before the economic crisis, new car sales was the largest component of profit. Accordingly, in Latvia, there is a need to focus on the provision of aftersales services. The first section of the article describes and analyses the passenger car park in Europe and Latvia, and discusses the significant indicators as the number of cars per 1000 residents, the first time registered cars and dynamics of those indicators. The second section discusses the author's survey of the Latvian drivers and types of repairs they conducted within the last year, and average annual cost of carrepairs, and tires, and the drivers' plans for the near-term future on reduction of car costs.

KEYWORDS: *car aftermarket, car service, car park, drivers' survey.*

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Introduction

In accordance with the Wolk after sales experts, the European passenger car aftersales market volume is almost 115 billion Euro and the largest are in Germany, Great Britain, Italy, France, Spain and Russia. However, the Baltic countries together represent only 0.6 % of the European aftersales market. Some researchers project (Haubensak, Branschädel, 2008: 3) that in Eastern Europe, including the Baltic countries, the aftersales market will triple by 2020, while in the Western Europe it will have only a slight increase.

In the Baltic countries the aftersales market is dominated by those who are independent from manufacturers and, contrary to Western Europe, the service concept workshops are not developed. The automotive industry aftersales market is comprised of 4850 companies with most of them small and medium size (Wolk, Nikolic and Aboltins, 2012).

Problem. Currently, the largest portion of industry companies gain the most profit from passenger car aftersales (maintenance services and spare parts sales), and not from car sales as it was before the economic crisis, and the industry companies in Latvia are forced to re-focus on aftersales market services. Therefore, an aftersales market analysis and outline of its development possibilities is needed for their successful growth.

Purpose. Purpose of this research is to ascertain opportunities for aftersales market development in Latvia.

Tasks:

- To characterize and compare the Latvian and European car park;

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- To find out the Latvian drivers' car repair types, average annual expense on car repair and tires, and drivers near-term future plans regarding these expenses.

Methods. The research has applied methods of description, analyses, graphic depiction, dynamic lines, mathematical statistics and sociological research.

1. Latvian car park characteristics and comparison with the European car park

In order to compare the car park, its dynamics, the number of passenger cars per 1000 residents, or car density is applied (Figure 1). Looking at Latvian passenger car development, the author has used only the number of cars in technical order, because a portion of cars registered in Latvia are not in use on the roads – they are exported, or dismantled, but not taken out from the State Register.

In Latvia, from 1998 to 2007 there was an increase of the number of passenger cars and simultaneously a reduction of the number of residents, and as a result, the density of cars sharply increased (base growth speed 104 %). From 2008 to 2010, due to the economic crisis, both a car park in technical order and the number of residents dropped, and, in addition – the car park has reduced faster, which caused a negative car density increase (base increase speed – 4.2 %, in 2010 compared with 2007).

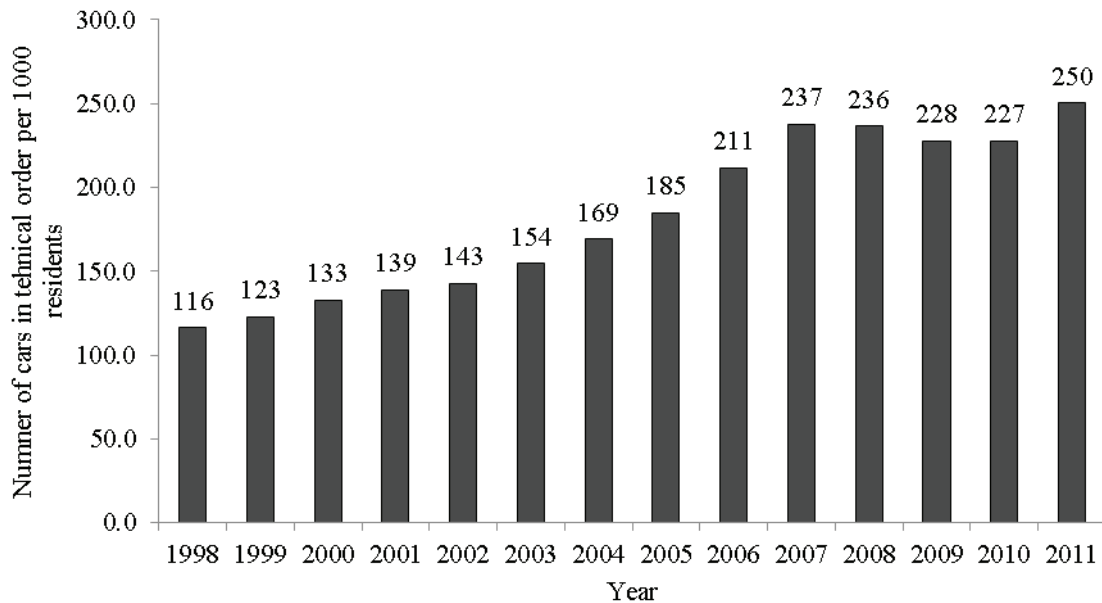


Figure 1. The number of cars in technical order per 1000 residents in Latvia, from 1998 to 2011

Source: Created by the author in accordance with the Road and Traffic Safety Directorate data

In 2011 a chain increase speed of passenger cars in technical order was 0.8 %, but the number of residents, in accordance with the Central Statistical Bureau data, has reduced by – 8.4 %, which resulted in a passenger car density increase of 10.1 % (Table 1).

From 2008 to 2010, both passenger car chain increase, and the growth of the number of residents, and also a speed of density of passenger cars were negative, but in 2011 the major factor in the increase of car park density was a decline in the number of residents.

The number of passenger cars in technical order per 1000 residents has grown from 116.1 cars in 1998 to 250.2 cars in 2011 – with a base increase speed of 115 %.

Table 1. Passenger cars in technical order per 1000 residents in Latvia from 1998 to 2011

Year	Passenger cars in technical order	Permanent residents		Passenger cars in technical order per 1000 residents		
		Number	Chain increase speed	Number	Chain increase speed	Base increase speed
1998	278 589	2 399 248	–	116.1	0150	0150
1999	292 748	2 381 715	-0.7%	122.9	5.9%	6%
2000	313 831	2 364 254	-0.7%	132.7	8.0%	14%
2001	325 145	2 345 768	-0.8%	138.6	4.4%	19%
2002	333 134	2 331 480	-0.6%	142.9	3.1%	23%
2003	358 110	2 319 203	-0.5%	154.4	8.1%	33%
2004	389 929	2 306 434	-0.6%	169.1	9.5%	46%
2005	423 801	2 294 590	-0.5%	184.7	9.2%	59%
2006	481 975	2 281 305	-0.6%	211.3	14.4%	82%
2007	539 017	2 270 894	-0.5%	237.4	12.3%	104%
2008	534 489	2 261 294	-0.4%	236.4	-0.4%	104%
2009	511 571	2 248 374	-0.6%	227.5	-3.7%	96%
2010	506 870	2 229 641	-0.8%	227.3	-0.1%	96%
2011	510 861	2 041 763	-8.4%	250.2	10.1%	115%

Source: Author's calculations in accordance with the Road Traffic Safety Directorate and the Central Statistical Bureau data

In accordance with the data of the Central Statistical Bureau data in 2011 in Latvia there were 2041763 permanent residents – by 357485 less than in 1998 (base increase speed of -8.4). In addition, an average chain increase speed, if we compare the year of 1998 with 2011, was -1.2 %, which indicates that in Latvia there is a constant decrease in the number of permanent residents. Especially in the regions, that has a negative impact and also in the future will affect the car aftersales market and will reduce the possible market potential.

The demographers calculations show that by 2030 the number of Latvian residents will drop by 12.6 % and their average age will increase. In 2000 each seventh Latvian resident was older than 65 and in 2030 it will be each fifth. In 2030 approximately 57 % of the Latvian residents will be outside the economically active age and thus socially dependent on others. For comparison – today this number is only about 45 % (Eiropa un sabiedrības novecošanās).

The aging of residents will directly affect the automotive aftersales market and with the age of population increasing, also its car purchase and usage habits will change, and the average annual mileage will decrease. For example, in Germany today, in accordance with the Wolk after sales experts data, the average age of private individuals who purchase a new passenger car is 52. On the one hand, it indicates that in the future the cars will be needed which are simpler to use and more understandable. From the other side, car manufacturers will have to think more about car active safety and introducing of various safe driving relief elements, for example, autopilot, various radars, and active braking equipments. Thus, in the future the simplification of car use will be well compensated by car driving support equipment. Aging of population and urbanization is noted as one of the factors affecting the future of the aftersales market also in other studies (A new era, 2009: 13). This research forecasts that as a result of urbanization also other types of mobility will develop, as for example, car sharing and drivers in cities will use smaller and more fuel-efficient cars. Currently, car sharing grows in large Western European cities. For example, in Bremen 7000 car sharing users removed more than 1500 cars from the roads (Glötz-Richter, 2012: 1).

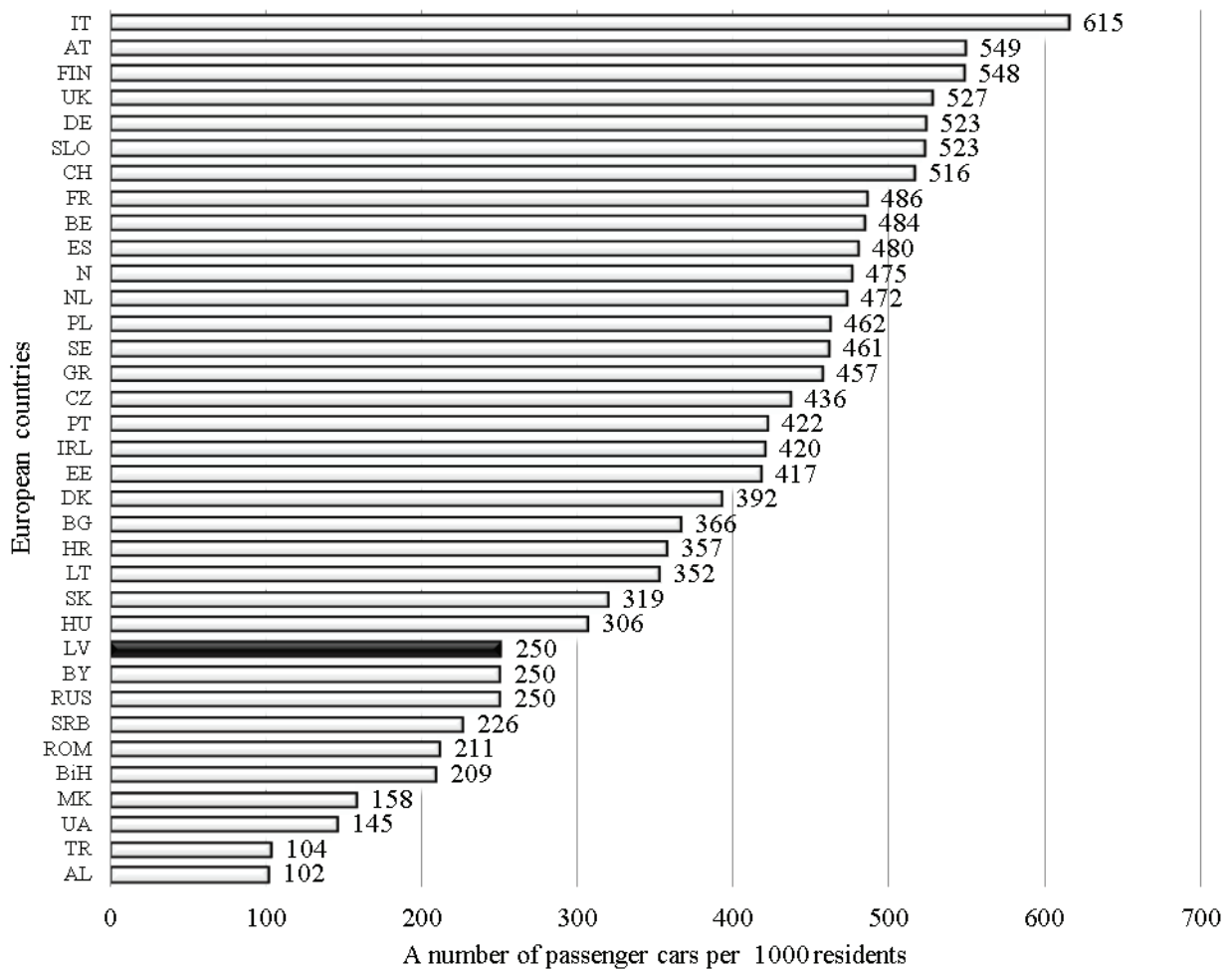


Figure 2. The number of passenger cars per 1000 residents in European countries in 2011

Source: Created by the author in accordance with the Road Traffic Safety Directorate data and Wolk after sales experts data

Comparing density of passenger cars in the European cities (Figure 2), it shows that the greatest density is in Italy (615), then follows Austria (549) and Finland (548). The density of cars in Italy can be explained by the large number of cars with a small engine capacity – a household would have several small cars and not one large car. In Germany, 523 passenger cars are registered per 1000 residents. Latvia takes one of the last places in Europe in number of cars per 1000 residents (250 passenger cars per 1000 residents), and looking at car density in the Latvian regions we can see that the car density is even lower, for example, in Latgale region (203). In European Union countries, only Romania has a lower car density (211). By comparison, in Estonia there are 417 registered passenger cars per 1000 residents and Lithuania has 352. It shows that Latvia has a comparatively significant potential to increase the number of passenger cars and their density per 1000 residents.

The most popular car brand in Latvia in 2011 was Volkswagen (19.1 %), then followed Audi (14.8 %) and Opel (8.5 %). First, it can be explained by the fact that historically, in the Soviet time, Volkswagen and Audi dealerships were the first car manufacturer's authorized company in Latvia, and also that at the beginning of the 1990's the residents were speedily changing Soviet cars to more qualitative cars manufactured in Germany. Secondly, Audi and Volkswagen popularity had developed due to the Latvian climate, and use of salt as spreading material on Latvian roads in winter – Audi and Volkswagen, compared to other brands (for

example, Opel), was corroding less and very quickly gained popularity and prevalence over cheaper competitors. The mentioned brands are mostly with front-wheel drive which makes their usage easier in winter and in rural territories. In addition, Audi and Volkswagen are more prestigious than, for example, Opel brand cars.

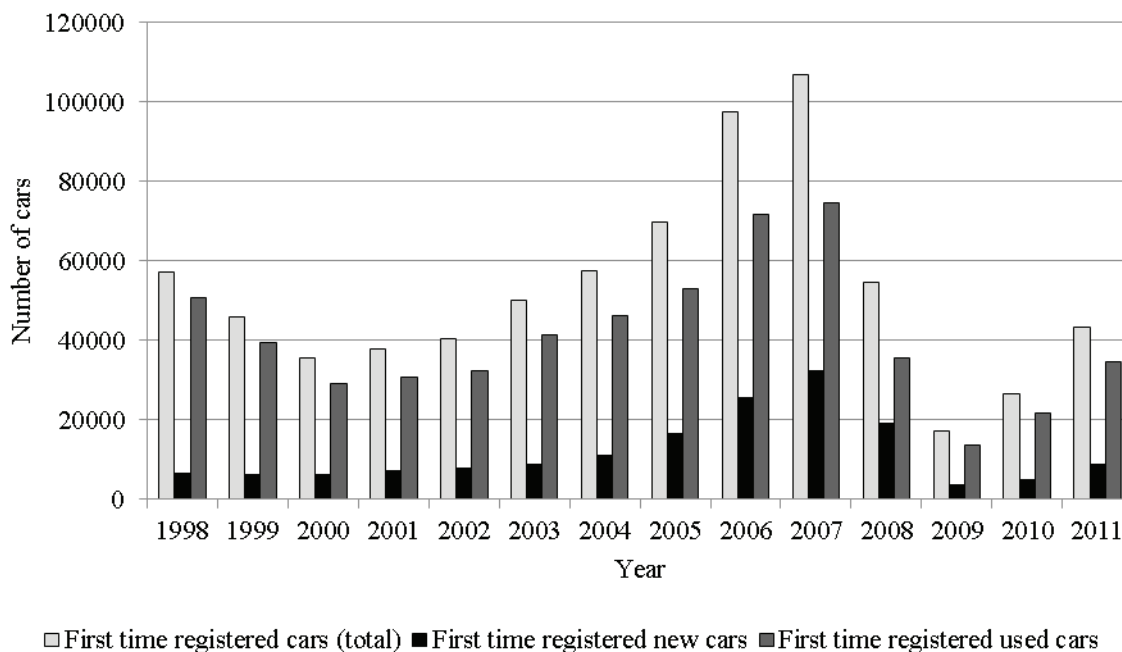


Figure 3. The dynamics of first time registered passenger cars in Latvia from 1996 to 2011

Source: Created by the author in accordance with the Road Traffic Safety Directorate data

The most popular car model in Latvia is Volkswagen Golf and Volkswagen Passat, respectively, 8.8 % and 8.9 % from a car park, then follows Audi 80 with 5.3 % from a car park and Opel Astra with 5.1 %. In all, almost half from a car park (48 %) is taken by the 10 most popular car models and four brands. If we add to it also the rest of the most popular German car manufacturers' brands (Ford and Mercedes-Benz) then 60.2 % from a car park represents those 6 brands. It means that the most of the automotive workshops can specialize in the mentioned brands, their repairs. The workshops mostly need information, knowledge and skills in the work with the aforementioned brands and models.

The number of passenger car registrations and their average age directly depend on the economic situation, and its changes. There is a significant correlation between the GDP in comparable prices and first time registered new cars (Pearson Correlation 0.748, Sig. 0.002), and also an unemployment (Pearson Correlation -0.867, Sig. 0.000). Thus, the larger the unemployment and the worse the economic situation, then the fewer new cars are registered, which leads to reduction of the car park and an increase of the average age of cars.

Looking at (Figure 3) the dynamics of first time registered cars we can see that their number sharply dropped from 1998 to 2000 under the influence of the Russian economic crisis. From 2001, with the economic situation improving, first time registration of passenger cars started to grow, which continued to 2007, and then in 2008 and 2009 it swiftly reduced as a result of economic crisis. A reduction of first time registered new cars from 2007 to 2009 was -88.5 %, with 32497 and 3745 new cars registered, respectively. A similar reduction was observed in the number of First time registered used cars (-81.8 %). It is interesting that the previous economic crisis (Russian crisis) practically did not affect the increase of registration of the *new* passenger cars, but essentially had an impact on the number of first time registered *used* cars, which is explained by the author by the fact that at the end of the 1990's the leasing services were not widely offered to private individuals – to the economically more sensitive portion of residents. Furthermore, the influence of the glob-

al economic crisis on first time registered new cars and the drastic reduction of their number, in the author's opinion, show that the middle class has not yet formed in Latvia that would have a legal income, and would purchase a car from savings and not from loans offered by banks. Starting from 2010, an increase in first time registered new and used cars is observed, chain increase speed in 2010 was 54.2 %, but in 2011 – 63.1 %.

Comparing the number of first time registered new cars and its dynamics in the Baltic countries with the other European countries (Figure 4.), the author concludes that in Latvia a reasonably lower number of new cars per 1000 residents are registered than in the most other European countries. In Latvia in 2011 – 4.3 new passenger cars were registered per 1000 residents, while in neighboring Estonia 11.5. The largest number (51.8) new cars per 1000 residents in 2011 were registered in Belgium, then follows Austria (42.2).

In Latvia, together with used cars, first time registered cars were only 21.3 cars per 1000 residents. Those indicators again show that purchase capacity in Latvia is significantly lower and a middle class does not exist.

Looking at the distribution of first time registered passenger cars between new and used – most of them were used cars – 95.1 % in 1996, and then it gradually reduced to 65.0 % in 2008. After the global economic crisis the share of first time registered used cars increased, in 2010 reaching 83.1 % and in 2011 – 79.6 %. In 2008 the average age of first time registered passenger cars was 5.5 years, but in 2011 – 7.0 years. Analyzing first time registered passenger cars by age groups, it was concluded that in 2011 the largest number of cars were in the age group of older than 11 years (39.1 %), then followed the age group up to 2 years (27.1 %), and from 6 to 10 years (23.3 %), and a very small number of cars was registered in the age group 3 to 5 years (10.1 %). After the economic crisis there had been a tendency for the age group of older than 11 years to increase, which is evidenced also by the increase of the age of first time registered car.

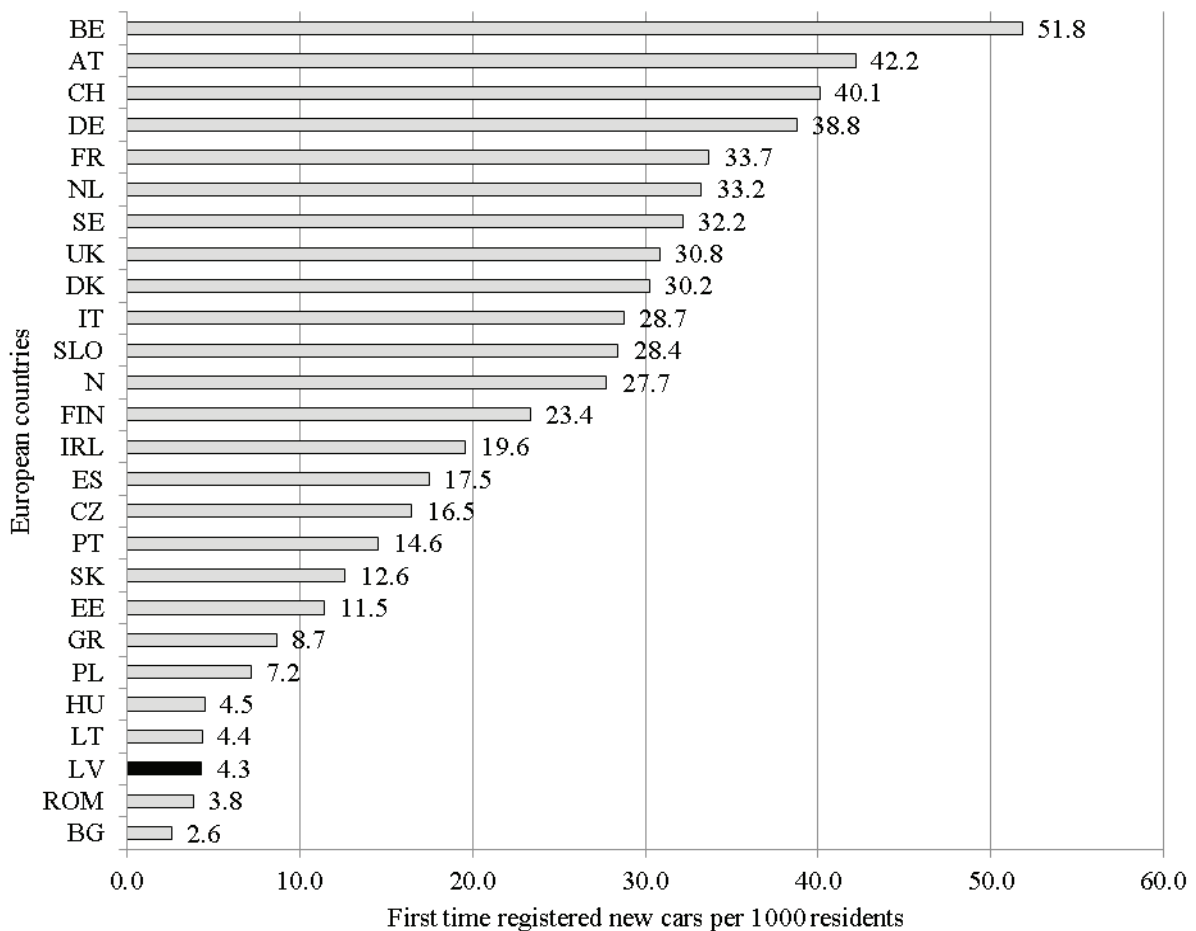


Figure 4. First time registered new passenger cars per 1000 residents in European countries in 2011

Source: Created by the author in accordance with ACEA and Eurostat data

In all of Europe there is a trend for the age of passenger cars to grow, and that is likely for two distinct reasons: the worsening of the economic situation, countered by improving car quality allowing for a longer useful life for the car. From 2002 to 2008 the average age of passenger cars in technical order was declining, reaching 10.9 years in 2008. However, from 2009 there was a tendency for an average car age to grow reaching 12.6 years in 2011. Comparatively, in accordance with the Wolk after sales experts data, in Germany, in 2011 the average age of passenger cars was 8.5 years, and in Finland 11 years.

As mentioned before, some of the most significant factors which affect the increase of the number of registered cars, the average age of cars, and the aftersales market are the economic situation in the country, its GDP, GDP per capita and its growth.

Looking at GDP increase speed – it had a positive growth from 1996 to 2007 (Picture 5). A similar increase was observed also for the number of passenger cars in technical order with the largest growth in 2006 and 2007 – with the chain increase speed 13.7 % and 11.8%, and further from 2007 to 2010 the chain increase speed for passenger cars in technical order was negative, similarly as for GDP, reaching the lowest in 2009 with -4.3 %), and getting a slight increase in 2011 with 0.8 %.

Regarding Eurostat statistics only in Romania and Bulgaria GDP per capital are lower than Latvia. Not surprisingly, with respect to the number of passenger cars per 1000 residents, in accordance with statistics data – only Romania has less cars per 1000 residents than Latvia (Romania 211, Latvia 250).

2. Latvian drivers' car repair types, their average annual cost and the drivers' near-term future plans regarding it

In order to find out the Latvian drivers' car repair types, the average annual cost for repairs and tires and the drivers' near-term future plans regarding it, the author conducted the survey in March and April of 2012. The survey was created by using an online platform. In accordance with the author's approximate estimate the survey was sent to about 4000 drivers. The response and filled out surveys were received from 728 respondents. The survey was taken by 348 males and 380 females, with an average respondent's age being 39.8 years. Most of them, i.e., 69.0 % or 502 respondents, had noted that they live in the city and 226 respondent – 31.0 % in the country/rural territory. The distribution of respondents by car brands corresponds to brand distribution in Latvia. The most respondents who had filled out the survey own (drive) Volkswagen brand cars (134), then follows Audi (108) and Opel (64), and also other brands. 438 respondents (60.2 %) drive cars with petrol engine, then follow the cars with diesel fuel – 249 (34.2 %) and cars with gas or petrol/gas engine 41 (5.6 %). In accordance with the Road Traffic Safety Directorate data on April 1, 2012 – in Latvia 58.4 % of passenger cars are with petrol engine, 36.8 % with diesel fuel and 4.9% with gas or petrol/gas engine. The average selection car age from its manufacturing the first registration is 13.2 years. 647 (88.9 %) respondents own the car, 55 (7.6 %) of respondents' cars are owned by the company and 26 (3.6 %) have a car by an operating lease.

Comparing the selection of respondents of the survey with the statistics data, the conclusion is that even though there are differences in indicators, overall the selection of respondents obtained corresponds to the actual distribution.

Most drivers within the last year had maintenance service on their car (86.3 %), then follows a tire change (81.7 %) and transmission repair (56.0 %). 22.4 % of drivers had repaired electric equipment/electronics. 14.7 % of drivers had done car painting or body repairs and 10.3 % had replaced auto glass, 14.0 % had engine and 5.8 % gear box repairs.

Analyzing the types of repairs the following was established:

- A significant correlation between the mileage and transmission repair (Pearson Correlation -.211, Sig. (2-tailed).000), an electric equipment, a tire change/repair (Pearson Correlation -.156, Sig. (2-tailed) .000) and a car maintenance/oil change repair (Pearson Correlation -.109, Sig. (2-tailed) .003).

- A significant correlation between the year of the car manufacturing and repair of running gear (Pearson Correlation $-.161$, Sig. (2-tailed) $.000$), the painting body repairs (Pearson Correlation $-.092$, Sig. (2-tailed) $.013$), engine repair (Pearson Correlation $-.108$, Sig. (2-tailed) $.004$), gear box repair (Pearson Correlation $-.117$, Sig. (2-tailed) $.002$). It means the older is the car - the more of the mentioned repairs have to be done.

Most drivers (33.4 %) annually spend LVL 100 to 200 for car repairs, maintenance and spare parts. This expense does not include money spent on tires. 19.3 % spend on car repair and maintenance up to LVL 100 annually, 22.5 % of drivers spend from LVL 200 to 300, and only 1.4 % spend more than LVL 900 per year (Figure 5).

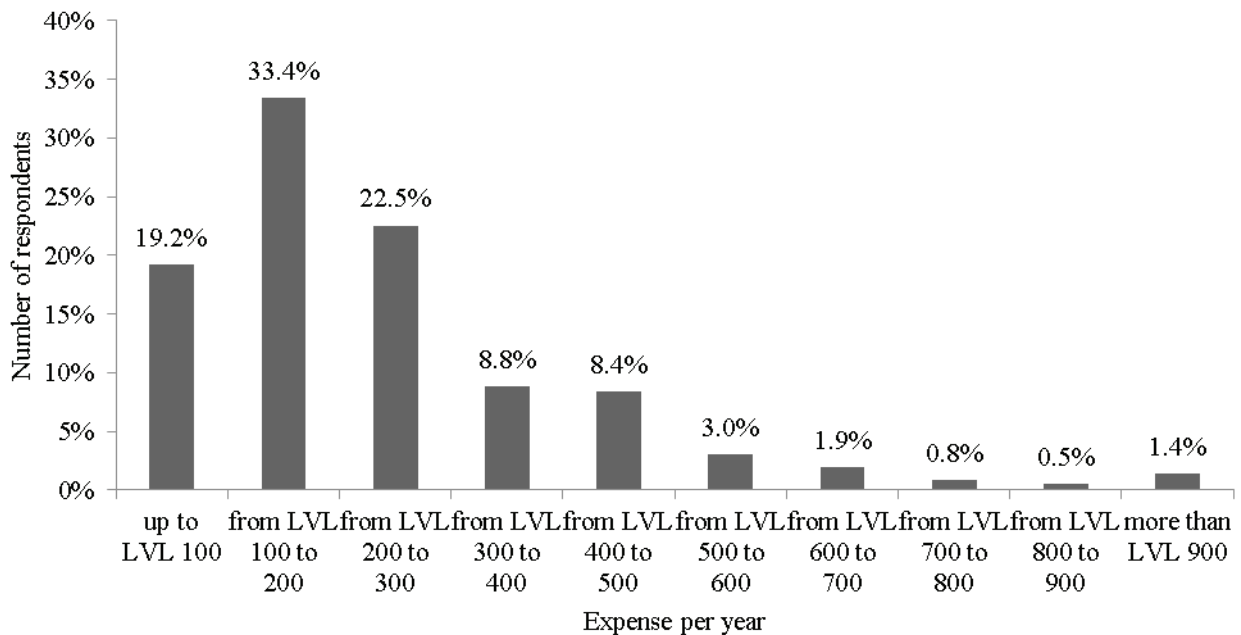


Figure 5. Annual expense for car repairs, maintenance and spare parts with added value tax (spare parts and workshop services/labor costs), except costs for tires, residents' survey ($n = 728$) on car repairs in 2012, in %

Source: Created by the author in accordance with the survey on residents' car repairs, in 2012

Here, it must be taken into consideration that repairs covered by insurance companies, the expense of equipping of first time registered cars prior to their handing over to the owners, and repairs covered by car or spare parts manufacturers (warranty repairs) are not included in this expense. Currently, also some manufacturers' authorised companies offer free (included in the price of a car) maintenance, for example, when reaching 80 000 km or 4 years old.

As regards drivers' expense for tires – most of respondents (41.9 %) last time had spent from LVL 100 to 200 for a tire set and their installation, while 14.7 % spent LVL 200 to 300. However, 34.3 % of drivers had the last time spent on a tire set up to LVL 100 and therefore it is likely, given the size of tires on most cars, that amount would only be purchasing used or restored tires. It means that the projected mileage with a tire set will be less than for a new good quality tire (50 000 km) and tires would need to be changed more often. The author surveyed workshops in the fall of 2012 and established that with the economic situation improving also the tire purchase habits had changed and one can observe a larger demand for new tires.

Most drivers (82.2 %) privately cover expense for car repair and maintenance. For the rest of drivers, 2.9 % did not have to pay because of warranty coverage, in 5.1 % cases repairs were paid by insurance companies and in 6.7 % cases by the company/corporation.

An essential correlation was also determined among the type of car ownership (individually owned, belongs to a company or a car is under operating lease) and expense for car repairs, maintenance, spare parts and tires (Pearson Correlation accordingly 0.145 and 0.202, Sig. (2-tailed) 0.000). Most drivers who use a personal car (34.8 %) annually spend on repair, maintenance and spare parts from LVL 100 to 200, 22.3 % spend LVL 200 to 300, and more than LVL 900 is spent only by 0.9 % of drivers.

For cars owned by companies, spending increases: the most part of drivers (27.3 %) spend from LVL 200 to 300, less than LVL 100 is spent by only 7.3 % of drivers and more than LVL 900 per year by 7.3 %. A comparatively large number (20.0 %) annually spend on car repairs, maintenance and spare parts from LVL 400 to 500. The author contributes the larger spending here with the fact that cars owned by companies are being used more intensively and often also more carelessly.

Looking at the expense for car repair, maintenance and spare parts for cars on an operating lease, then, similarly as with personally owned cars, the most of drivers (42.3 %) spend from LVL 100 to 200 per year, and 19.2 % spend LVL 200 to 300 annually.

A significant correlation (Pearson Correlation -0.126, Sig. (2 tailed) 0.001) was established between drivers' expense for a tire set and their place of residence in the city or in the country/rural territory.

In the country/rural territory the drivers purchase cheaper tires – up to LVL 100 per tire set was the last time spent by a larger number of drivers (38.1 %), and in the city only 32.7 % of drivers. Similarly, also in the next expense group from LVL 100 to 200, if in the city the tires of this group were purchased by 39.4% then in the country – almost by a half (47.3 %) of drivers.

The situation is opposite in the comparatively more expensive price groups: in the city in the tire set in the price group from LVL 200 to 300 was purchased by 16.7 % of drivers, and in the country by only 10.2 %. A similar case is also in the next price group from LVL 300 to 400 per tire set – in the city such tires were purchased by 7.4 % but in the country by only 2.7 % of the drivers.

A similar correlation by regions, place of residence and drivers' expense for car repairs, maintenance and spare parts was not established. The author believes that outside Riga, due to the bad condition of roads, the cars would need greater repair work, but it had been compensated by cheaper labor hour costs and different repair habits. It is possible that in the country/rural territory, similarly as with tires, cheaper spare parts are being used, which had also been confirmed by the experts surveyed by the author.

The residents survey on car repairs had established that 43.1 % of drivers in the near-term future do not plan to reduce costs for car repair and maintenance (Figure 6), which is explained by the fact that during the years of economic crisis this expense had already been reduced to a minimum and there are no more opportunities to reduce them. In addition, the car park is aging, the cars had not been purchased new but repaired which actually increases drivers' expense on car repairs. Looking at the structure of respondents who *do not* plan to reduce repair costs of their car by Latvian regions, it had been determined that the largest number of such drivers is in the Riga region (47.3 %), which, in the author's opinion, is due to the fact that there is a comparatively better economic situation in Riga (vs. the rural regions).

With fuel prices increasing, 28.2 % of drivers are planning in the near-term future to use their cars less. Looking at the reduction of average annual mileage it was established that the largest mileage per one passenger car in technical order in 2007 was 20 659 km, and afterwards, with the economic situation worsening, the average mileage reduced to 15 869 km in 2011 (increase speed, -23 %). Following the data of Wolk after sales experts the average annual mileage in Germany fluctuates from 12000 to 14000 km. In accordance with the Shell study conducted in Germany (Shell Pkw-Szenarien bis 2030, 2009: 26) – the annual average mileage is 12 500, which is by 27.9 % less than an average annual mileage in Latvia. The study projects that with an increasing number of cars per 1000 residents and by changing drivers' gender and age structure, the average annual mileage in 2030 will reduce to 11 900 km. The mileage is one of the major factors which directly affects also the aftersales market, as, for example, the number for car maintenance which directly relates to mileage driven.

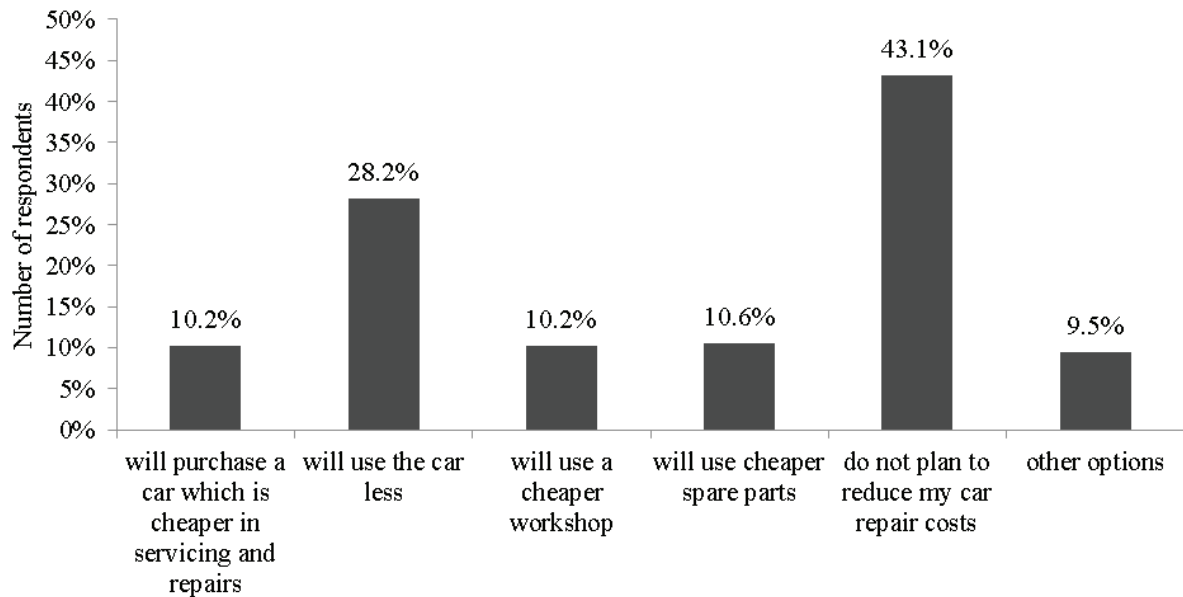


Figure 6. Drivers' plans on reduction of expense on car repair in the near-term future in residents survey ($n = 728$) on car repairs in 2012, in %

Source: Created by the author in accordance with the survey on residents' car repairs, in 2012

10.2 % of drivers are planning to purchase a car cheaper in maintenance and repairs – it is interesting to note that a larger number of drivers here are males (12.6 %), and not females (7.9 %). The author explains it with the fact that males before the economic crisis purchased large and premium class cars with respectively big repair and maintenance costs. Low cost cars, as one of the future trends is mentioned also by other researchers (Kalmbach, Bernhart, Kleimann, Hoffmann, 2011: 26), and in addition, it is also mentioned that young people are rapidly losing interest in cars, for example, in Germany for 18–25 year olds the car means only an opportunity of transportation and almost 30 % of this group would not exchange other costly items such as travel or an apartment for a new car.

As one of the factors which could essentially change the car aftersales market is the change of technologies and also a sharp increase of electric and hybrid cars but the author agrees with the studies which do not forecast a fast increase of hybrid cars in the nearest years, for example, ExxonMobil projects a significant growth of hybrid cars only starting from 2025 (The outlook for energy: 18).

Most cars registered in Latvia (71.8 %) are more than 11 years old, in the age group from 6 to 10 years – 17.3 %, in the age group from 3 to 5 years are 8.8 %. However, the age group up to 2 years old has only 2.2 % of cars. In author's opinion, these indicators clearly show that manufacturers' authorized workshops cannot survive and develop by only servicing new, warranty period cars (usually 2 years), but they need to develop service concepts with lower requirements, to offer cheaper spare parts, thus attracting also older cars. The aspects speaking for the benefit of developing service concepts and workshops, not authorized by the car manufacturers is also the fact that in accordance with EURO 5 legislation the vehicle manufacturer is not allowed to deny access to technical information (Rohl, 2012: 10), and also other studies as one of the car dealerships' development opportunities is mentioned multi-brand after sales service chain (OEM After Sales Strategy, 2008: 3). Specifically, it refers to the Latvian regions because 82 % of cars in the age group up to 2 years, and 72 % of cars in the age group from 3 to 5 years are registered in Riga region. As it was mentioned the aftersales market provides the largest portion of profit, with profits of 18.5 % for workshops and 16.4 % for parts and accessories, aftermarket sales were considerably more profitable than the +4.2 % achieved in the new car business (Diez, 2010: 24). We cannot forget also that aftersales services, their quality is an important factor in the selection of a next car and if the workshop services will be provided

qualitatively, then most drivers will choose to purchase the next car from the same dealer where he is conducting his car repairs (Cars Online 11/12: 29).

Currently, in Western Europe, the workshop services market has started to use opportunities provided by Internet and service portals are developing, which offer fast and easy way to compare the prices of workshop services, allowing drivers to choose the best offer, and the industry companies can successfully use the Internet portals as a new marketing instrument. In accordance with the study *After Sales Goes Online*, 61 % of surveyed drivers can imagine reserving body and paint service online, but in accordance with think insights with studies conducted by Google in France, the Internet is the most frequently consulted source amongst consumers searching for accessories and the second most frequently consulted source for tires.

Conclusions

Latvia has one of the lowest car ownership rates in Europe (250 passenger cars per 1000 residents). That rate indicates Latvia has a comparatively large potential to increase the number of passenger cars and their density, and, respectively also the aftersales market volume will increase in the future.

Almost a half of the Latvian car park (48 %) is taken by 10 most popular car models and four brands. That means most workshops basically are specializing in the mentioned brands, and their repairs.

Most drivers (33.4 %) annually spend from LVL 100 to 200 for car repairs, maintenance and spare parts, and regarding tires – most of the drivers (41.9 %) the last time spent for the tire set from LVL 100 to 200.

The Latvian car drivers' survey on car repairs established that 43.1 % of drivers in the near-term future do not plan to reduce the costs for car repair and maintenance, and there was no significant correlation by regions, place of residence and car drivers expense for car repairs, maintenance and spare parts which means that also in the Latvian regions it is possible to develop aftersales industry companies.

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AUTOMOBILIU PRIEŽIŪROS RINKA EUROPOJE IR LATVIJOS REGIONUOSE

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Santrauka

Šiuo metu daugelis bendrovių, užsiimančių automobilių pardavimu, didžiąją dalį pelno gauna iš paslaugų, kurios teikiamos automobilių pardavus (garantinė priežiūra ir atsarginių detalių pardavimas), tuo tarpu prieš ekonominę krizę didžioji pelno dalis buvo gaunama iš naujų automobilių pardavimo. Latvijoje šiuo metu susitelkiama ties paslaugų, pardavus automobilių, teikimu. Pirmoje straipsnio dalyje analizuojama keleivinių automobilių parko būklė Europoje ir Latvijoje, tiriami tokie svarbūs rodikliai kaip automobilių skaičius tūkstančiui gyventojų, pirmą kartą registruotų automobilių skaičius ir šių rodiklių dinamika. Antrojoje straipsnio dalyje aptariama autoriaus atlikta Latvijos vairuotojų apklausa, kuria siekta išsiaiškinti, kokius remonto darbus jie atliko per pastaruosius metus, vidutinė automobilio remonto per metus kaina, padangos, ir vairuotojų planai, susiję su ateityje mažėsiančia automobilio kaina.

PAGRINDINIAI ŽODŽIAI: *automobilių atsarginių dalių rinka, automobilių priežiūra, automobilių parkas, vairuotojų apklausa.*

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