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# **Digital Disruption in India's Automotive Service Industry: A Strategic Study of GoMechanic**

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#### ABSTRACT :

The Indian automotive service industry, traditionally unorganized and informal, has recently undergone a digital revolution. This research focuses on GoMechanic, a startup that pioneered app-based, tech-enabled, and standardized vehicle servicing. The study investigates how GoMechanic disrupted conventional garages using a B2B2C model, assesses its business model, market growth, customer behavior, and strategic challenges. Through surveys, secondary data, and comparative analysis, the findings show a consumer shift towards digital service models. The paper concludes with strategic insights on how GoMechanic can regain momentum through improved quality, regional expansion, and EV integration.

#### 1. Introduction & Methodology

#### 1.1 Background

India's automotive sector ranks among the fastest-growing industries worldwide. Within this ecosystem, the automotive aftermarket—comprising repair and maintenance services—is crucial to vehicle longevity. The sector has long been fragmented, dominated by local garages lacking standardization. Rising vehicle ownership, especially in urban India, has pushed consumers toward transparent and tech-enabled solutions. GoMechanic, launched in 2016, became a forerunner in this shift by offering digital booking, standard pricing, doorstep service, and verified workshops. However, recent challenges have prompted a reevaluation of its business practices.

#### 1.2 Objectives of the Study

- To understand GoMechanic's business model and technological integration.
- To evaluate market growth and consumer behavior trends.
- To analyze service quality challenges.
- To assess GoMechanic's competitive positioning and future potential.

#### 1.3 Research Methodology

#### Design

A mixed-methods approach:

- Exploratory research to understand innovation.
- Descriptive research for consumer trends and performance.

#### **Data Collection**

- Primary Data: Google Form surveys with 100+ vehicle owners, interviews with 30 workshop owners.
- Secondary Data: Industry reports (McKinsey, Deloitte), GoMechanic blogs, PR statements.

#### **Tools Used**

- SWOT Analysis
- SERVQUAL Model (service quality)
- Porter's Five Forces
- Business Model Canvas

# 2. Review of Literature

#### 2.1 Evolution of Automotive Aftermarket in India

According to Frost & Sullivan and Statista, India's auto aftermarket, valued at \$8B in 2023, is rapidly moving from informal garages to organized, appbased servicing. Factors driving this change include higher consumer expectations, vehicle complexity, and internet penetration.

#### 2.2 Platform Aggregators and Digital Models

KPMG (2021) categorizes GoMechanic as a digital aggregator—similar to Uber or OYO—which creates network effects by connecting users with service providers. Evans (2003) emphasizes that platform success relies on scale, trust, and seamless interaction.

#### 2.3 Customer Expectations

Studies (McKinsey, Deloitte) highlight that today's consumers want:

- Transparent pricing
- Real-time updates
- Digital payment modes
- Service warranties

#### 2.4 Comparative Platform Analysis

RedSeer Consulting compares GoMechanic with Urban Company, Pitstop, and ReadyAssist:

- GoMechanic: Early mover, strong urban visibility.
- ReadyAssist: Better in emergency service.
- Urban Company: Cross-category brand trust.

#### 2.5 Service Quality (SERVQUAL)

Parasuraman et al. outline five key dimensions—Tangibles, Reliability, Responsiveness, Assurance, and Empathy. GoMechanic scores well on tangibles and assurance but lacks reliability in certain centers due to inconsistent training.

#### 2.6 Sustainability and EV Services

As India shifts to green mobility, NITI Aayog and IEA advocate for EV-compatible diagnostics and battery management. GoMechanic is piloting EV partnerships in select metros.

# 3. Company Overview

#### 3.1 Founders & Vision

- GoMechanic was co-founded by Amit Bhasin, Kushal Karwa, Nitin Rana, and Rishabh Karwa.
- Founded: 2016, Gurugram
- Vision: Affordable, transparent, tech-driven vehicle maintenance.
- Model: Operates on a B2B, B2C aggregation model, connecting over 1,000 partner workshops across 30 cities.

# 3.2 Revenue Streams

- Commission from garages
- Spare parts and accessories
- Warranty sales
- Fleet partnerships

#### 3.3 Key Offerings

- Routine servicing
- AC/denting/engine work
- Emergency roadside assistance
- Doorstep pickup and diagnostics

#### 3.4 Technology Stack

- App-based scheduling
- AI-based diagnostics
- ERP for workshops
- Real-time service tracking

#### 3.5 Funding & Strategic Issues

- Investors: Sequoia Capital, Tiger Global
- Funding: ~\$60M
- Crisis: Governance and misreporting issues in 2023 led to restructuring.

# 4. Analysis & Insights

#### 4.1 Brand Awareness and Usage

- 82% of respondents had heard of GoMechanic.
- 56% had used the service.



Insight: High awareness, but a gap in user conversion due to service quality issues.

#### 4.2 Customer Satisfaction Ratings (Out of 5)

- 5 Very satisfied: 18%
- 4 Satisfied: 36%
- 3 Neutral: 24%
- 2 Dissatisfied: 14%
- 1 Very Dissatisfied: 8%





**Observation**: Only 54% had positive experiences, revealing a need for better quality control.

#### 4.3 Preference: Digital vs. Local Garages

- Digital: 62%
- Local: 38%

#### Satisfaction Level

#### Customer Preference: Digital vs. Local Garages



Reason: Customers trust digital platforms for transparency and documentation.

#### 4.4 Market Growth

Year	Market Size (USD B)
2019	5.5
2020	4.8 (COVID Impact)
2021	6.2
2022	7.1
2023	8.0



CAGR: ~9.7% (Post-COVID rebound driven by tech platforms like GoMechanic)

## 5. Findings and Conclusions

#### 5.1 Key Findings

- GoMechanic pioneered digital servicing but faced operational inconsistency.
- Consumer shift is clear-digital preference dominates among urban youth.
- There is significant growth opportunity, particularly in Tier II and III cities.

• Challenges: Partner training, service consistency, governance.

#### 5.2 SWOT Analysis

Strengths	Weaknesses
Tech integration	Service inconsistency
Strong investor backing	Internal governance lapses
Brand visibility	Limited rural presence

Opportunities	Threats
EV servicing	Competitor innovation
Tier II/III expansion	Regulatory compliance

#### 6. Strategic Recommendations

#### 1. Standardize Workshop Training

• Monthly audits, certification programs, quality dashboards.

### 2. Tier II & III City Expansion

• Partner with local workshops, use vernacular marketing.

## 3. EV Services

• Invest in battery diagnostics and EV-only service centers.

#### 4. Customer Retention

• Loyalty programs, annual AMC packages, referral bonuses.

#### 5. Rebuild Trust

• Transparent reporting, grievance redressal, revised investor communication.

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