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Automotive Repair And Maintenance Service - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)

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Abstracts

The Automotive Repair And Maintenance Service Market size is estimated at USD 741.34 billion in 2024, and is expected to reach USD 998.18 billion by 2029, growing at a CAGR of 6.13% during the forecast period (2024-2029).

Growing vehicle parc, increasing vehicle age, and the government's strict regulations on automotive safety standards to reduce road fatalities and traffic accidents serve as significant determinants to the growth of the automotive repair and maintenance service market worldwide. With the increasing age of vehicles, there exists an extensive need for routine checks and periodic maintenance to ensure smooth operation. Further, to maintain a higher resell value in the used vehicles market, passenger car and commercial vehicle owners often tend to replace parts and upgrade components with modern standards, which, in turn, positively impacts the demand for auto maintenance and repair.

Key Highlights

The number of vehicles in operation in the United States reached 286 million in Q1 2023 compared to 285.2 million in Q4 2022, representing a Y-o-Y growth of 0.1% between Q4 2022 and Q1 2023.

Further, according to the United Kingdom Department of Transport, the number of licensed cars in the United Kingdom reached 33.2 million in 2022 compared to 32.7 million in 2021, representing a 1.5% Y-o-Y growth between 2021 and 2022.

According to the German Federal Motor Transport Authority, passenger cars aged 5-9

years contributed to the highest share of 26.8% plying on German roads, while vehicles aged 10-14 years accounted for 21.7% in 2023.

However, the greater adoption of electric vehicles hinders the business potential of automotive maintenance and service companies as these vehicles require less frequent maintenance than traditional ICE vehicles. Electric cars do not have traditional engines, transmissions, and certain related parts. Therefore, as the proportion of electric vehicles on the road increases, the demand for transmission and exhaust services and oil changes is expected to decrease. Although these companies might witness an increase in demand for other services, such as electric vehicle battery replacement, there can be no assurance that the demand will be sufficient to maintain their historical sales performance.

Key Highlights

According to the International Energy Agency (IEA), the total number of battery electric vehicles (BEVs) sold worldwide reached 7.3 million units in 2022, compared to 4.6 million units in 2021, recording a 58.6% year-over-year growth between 2021 and 2022.

Rapid repair and maintenance technology advancement to cater to the increasing demand for autonomous, connected, and other modern-age vehicles is expected to be a vital driver in the automotive repair and maintenance service market. Service centers are increasingly adopting code readers, scanners, and other diagnostic tools to detect and diagnose vehicles' malfunctions faster.

Moreover, companies such as Revv are investing hefty sums to build digital platforms for repair centers to detect issues with ADAS systems, which are highly complex. Therefore, with the rising integration of technologies and aggressive investments to constantly offer innovative software to service centers, the automotive repair and maintenance service market is anticipated to showcase surging growth between 2024 and 2029.

Automotive Repair and Maintenance Service Market Trends

The Passengers Cars Segment is Expected to witness Surging Growth Between 2024 and 2029

The passenger cars segment of the market is driven by consumers' increasing preference to avail of private transportation mediums, increasing demand for shared

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mobility, and the increasing age of cars. The growing passenger car sales worldwide foster the market for automotive repair and maintenance services, as vehicle owners tend to ensure the efficient operation of their cars and compliance with recent government standards. Consequently, vehicle owners visit service centers every 3-6 months for routine service checking, which assists the market growth.

According to the European Automobile Manufacturers Association (ACEA), Germany, the United Kingdom, and France were the leading nations across Europe with the highest passenger car registrations in 2023.

The number of new passenger car registrations in Germany reached 2.8 million units in 2023, followed by the United Kingdom, with new car registrations reaching 1.6 million units, and France, with new car registrations reaching 1.5 million units during the same period.

Furthermore, shared mobility services, especially ride-hailing services, have witnessed a massive demand in recent years, attributed to the consumers' preference for low-cost commuting options. Since these cars are required to cover longer distances and generally travel for a longer duration compared to private vehicles, there exists a greater need to frequently replace oil and filters and opt for other routine maintenance services such as body care, which, in turn, positively impacts the demand for this segment. Moreover, with the increasing car age, a greater demand exists for services such as automotive tire replacement and wheel alignment, which contributes to the growth of the automotive maintenance and service market.

The average age of passenger cars in the United States reached 13.6 years in 2023, compared to 2022, wherein the average age of passenger cars stood at approximately 12.7 years.

Various players in the ecosystem actively offer customers value-added services, such as online booking options, pick-up and drop-service, and home-based maintenance service options to attract a broader customer base. The tedious lifestyle of working professionals also supports the growth of this service as it helps eliminate the time required to visit a service center and wait for a longer duration. Therefore, in the coming years, new entrants in the market will extensively focus on offering doorstep car servicing options, which is expected to contribute to the segment's growth between 2024 and 2029.

Asia-Pacific is Expected to Dominate the Market Between 2024 and 2029

The growing urbanization rate across Asia-Pacific, especially in countries such as India and China, leads consumers to opt for private vehicles for daily transportation and commuting. Therefore, the increasing passenger car sales across the region facilitate the growing need for automotive repair and maintenance services. Moreover, under-developed road conditions in certain areas in Vietnam and other countries negatively impact vehicle conditions. Hence, consumers in these countries require frequent visits to repair shops for vehicle servicing purposes, which, in turn, positively affects the growth of this segment.

According to the Society of Indian Automobile Manufacturers (SIAM), passenger car sales in India reached 3.89 million units in FY 2023 compared to 3.07 million units in FY 2022, representing a Y-o-Y growth of 26.7% between FY 2022 and FY 2023.

Furthermore, the growing vehicle parc in India and China also catalyzes the demand for automotive repair and maintenance services, owing to older vehicles requiring frequent servicing to maintain their optimal condition. Apart from the market for passenger car servicing, the region also witnesses a massive opportunity for the commercial vehicle servicing industry. The expanding road freight sector, coupled with rising investments to develop the regional public transportation ecosystem, is also contributing to the growth of the automotive repair and maintenance service market.

According to the Society of Indian Automobile Manufacturers (SIAM), the sales of new light commercial vehicles in India reached 603.4 thousand units in FY 2023 compared to 475.9 thousand units in FY 2022, recording a Y-o-Y growth of 26.7% between FY 2022 and FY 2023.

According to the International Organization of Motor Vehicle Manufacturers (OICA), commercial vehicle sales in Japan stood at 786.36 thousand units in 2023 compared to 753.02 thousand units in 2022, recording a 0.4% Y-o-Y growth between 2022 and 2023.

Assessing the lucrative opportunity in the market, various players, such as Nippon, are strategizing to expand their business presence in Asia-Pacific. For instance, in April 2024, Nippon announced the launch of its brand Mastercraft in India to cater to the aftermarket body and paint repair service needs. In the coming years, Asia-Pacific witnessed the integration of multi-brand repair workshop centers to compete with local garages, which is highly favorable among consumers in the area for minor maintenance and repair work.

Automotive Repair and Maintenance Service Industry Overview

The automotive repair and maintenance service market is highly fragmented and competitive due to several domestic, international, and regional players operating in the ecosystem. Some prominent players in the market include LKQ Corporation, Robert Bosch GmbH (Bosch Car Service), Belron International Limited, TVS Motor Company (myTVS Parts & Accessories), Mobivia Groupe, Inter Cars Service, M&M Car Care Center, Sun Auto Service, and Wrench Inc. These players actively focus on business expansion and forming partnerships with parts and component suppliers to offer consumers efficient and seamless automotive servicing facilities.

In April 2024, Mobivia, a leading automotive maintenance and repair brand across Europe, announced its collaboration with VinFast to expand its electric vehicle aftersales business in France and Germany to cater to VinFast customers in these countries. As per the agreement, VinFast customers can access Mobivia's 1,200 service centers in France and Germany for repair and maintenance services of their electric vehicles.

In April 2024, Meta Mechanics Auto Repair Center LLC, a Dubai-based maintenance service provider, announced the commencement of its new vehicle maintenance package. This package offers customers efficient vehicle servicing options using modern technology and equipment. Through this new package, the company aims to enhance its existing vehicle servicing portfolio to gain a competitive edge in the market.

Further, the market is anticipated to witness the integration of advanced technologies, such as inspection, database management, and CRM software, to reduce automotive maintenance and servicing downtime in the coming years.

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7.1 Rapid Integration of Automotive Repair and Maintenance Technology such as Diagnostic Tools is Fueling the Growth of the Market

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