

## **SURVIVAL STRATEGY OF LOCAL ELECTRONIC REPAIR SHOPS: A STUDY IN MANGALURU CITY**

Poojari Nisha Gopal<sup>9</sup> Arjun Prakash<sup>10</sup> Shakin Raj<sup>11</sup>

### **ABSTRACT**

*Companies apply various strategies in order to compete with other. Some strategies help companies to earn huge profit, whereas others have to opt for some other strategies in order to survive. Similarly, due to advancement in the technology consumers are benefited with more economical and better quality electronic gadgets, due to which consumers prefer to buy new gadgets instead of getting it repaired if it is damaged. Now days the local repair shops of electronic gadgets are facing problem since there is no business for them. In addition, the showrooms of electronic gadgets render the after sale service which is one more threat to the local repair shops. Hence a study is made on how the local electronic repair shops are doing business and what are the challenges faced by them. For the study, 50 owners of the local electronic gadgets repairs shops from were chosen from Mangaluru to study the challenges faced by them and strategies applied by them in order to overcome from those challenges. From the study, it was clear that these shops are facing several problems and due to which the local repair shops have applied certain strategies such as collaborations, price reduction, etc.*

### **KEYWORDS**

**Survival Strategies, Profits, Technology, Consumer, Electronic Gadgets, Collaborations etc.**

### **INTRODUCTION**

In almost every home, there are horde of appliances that practically remain in use throughout the day to provide us the comfort and easiness of life that we deserve. We are grateful to these appliances, which are necessity of every home. In addition, if we are grateful to such appliances then we must care for them too. The breakdown of electrical domestic devices is inevitable, as machines after long run tend to break down. At times, they break down early due to misuse or over use. The electrical appliances like mixer/ grinder, Geysers, water heater, fan; Iron, etc. are widely used in almost every household. The major manufacturers are Usha, Bajaj, Crompton, Onida, Videocon, LG etc. These electrical appliances do need periodic servicing, maintenance and repair actively. Though there are a number of authorized repair & servicing centers, provided by the authorized dealers network but still there is wide spread need of the repair & servicing centers to cater the need of repair and servicing activity for these appliances specially in semi urban and rural areas.

### **OBJECTIVES**

- To analyse the current market trends in repair industry.
- To examine the factors limiting growth of local repair shops.
- To examine the various survival strategies applied by local repair shops.
- To know the various opportunities to increase the business.
- To analyse the competitive advantages and disadvantages of the repair shops.

### **NEED OF STUDY**

Over the past decades, there has been an improvement in the science and technology due to which each day we can see new electronic gadgets take birth with unique features and due to these unique features people prefer it, thinking

<sup>9</sup>Assistant Professor, St. Aloysius College, Karnataka, India, [nishasuvama49@yahoo.com](mailto:nishasuvama49@yahoo.com)

<sup>10</sup>Assistant Professor, St. Aloysius College, Karnataka, India, [arjunetu@gmail.com](mailto:arjunetu@gmail.com)

<sup>11</sup>Assistant Professor, St. Aloysius College, Karnataka, India, [shakinraj03@gmail.com](mailto:shakinraj03@gmail.com)



it is high technology goods and it may last long. In addition, due to these gadgets there is an effect on the repair business, since their growth is restricted by this. Hence, a study has to be made in order to study how the repair shops can still survive in the market with showroom standing in front of them as a tough competition.

### ***METHODOLOGY***

- **Primary Data:** For the primary data 50 respondents have been selected who are into the repair shop business in Mangaluru.
- **Secondary Data:** We have collected information from the secondary sources mainly to know the history, major companies in repair industry, etc.

### ***LIMITATIONS***

- The study has been conducted in Mangaluru and the survey is restricted to that place.
- Only a small sample is selected for the study.
- This research is time bound. The result of this study may not be applicable over period.
- Any advanced statistical tools were not applied while drawing conclusion and it depends on the respondent's views.

### ***REPAIR SHOPS IN INDIA***

Indian electronic industry dates back to early 1960. Electronic was one industry initially restricted to the development and maintenance of fundamental communication system including radiobroadcasting, telephonic and telegraphic communication. In 1980, due to the sweeping economic changes there was a growth in electronic industry. In addition, this gave a phase for the growth of repair industry in India.

### ***MAJOR PLAYERS OF THE REPAIR SHOPS***

Techmaster Electronics, ACS Industrial Services Industry, USA Industrial Control Repairs, Electronic Services Syma Technology Private Limited, Avalon Technology Private Limited, PSI Semicon Services Test Point Industry, Maxey Moverley, K+S Services, European Electronics, Audiolic Instruments, Autonum Controls, Electricity No Problem, Everest Point, Ken Flow, Micro Oven Clinic.

### ***Problems Faced by the Repair Industry***

The market segment of electronic equipment depends on the electronic products to which the services of repair are offered. A few of them includes consumer electronic repairs, computer, and office equipment repair. However, a major roadblock in the progress of repair industry is that due to constant innovation and technological advances, consumer is usually tempted to replace the gadgets with new one.

There is a huge competition among the start-ups in the line of business. The success ratio largely depends on the quality of work and technically skilled professionals with sound knowledge of production.

### ***E-WASTE MANAGEMENT IN INDIA***

The electronic industry is the world's largest and fastest growing manufacturing industry. The consequence of its consumer-oriented growth combined with rapid product obsolescence and technological advances are a new environmental challenge - the growing menace of "Electronics Waste" or "e waste" that consists of obsolete electronic devices. It is an emerging problem as well as a business opportunity of increasing significance, given the volumes of e-waste being generated and the content of both toxic and valuable materials in them.

### *Effect on the Repair Shops*

As this is one of the initiatives by the government, it would compel the entire e-waste generator to avoid the accumulation of the e-waste. Even the repair shops have certain amount of e-waste generated. There may be some waste parts of the electronic gadgets, which could not be used in any other gadgets for example burnt parts. In addition, this generates a huge waste.

### **DATA ANALYSIS AND INTERPRETATION**

**Table-1**

Parameter	Respondents	
	In Numbers	Percentage
<b>Gender</b>	Male	50
	Female	0
<b>Age</b>	<25	6
	25-35	14
	35-45	24
	>45	6
<b>Qualification</b>	Below SSLC	2
	SSLC / Equivalent	3
	PUC / Equivalent	6
	Degree / Equivalent	14
<b>Current Market Trend in Repair Industry.</b>	Increasing	22
	Decreasing	4
	Constant	8
	Fluctuating	16
<b>Views Regarding Whether High Tech Users Prefer Showroom Services.</b>	True	24
	Partially True	8
	False	10
	Can't Say	8
<b>Response Regarding Can Online Business Help to Improve the Business</b>	Favourable	10
	Unfavourable	40
<b>Effect of Showroom's After Sale Service on the Repair Industry.</b>	Majorly	6
	Slightly	18
	No Effect	26
<b>Demand for the Repair Industry in Future Years as per Respondents.</b>	Increased	16
	Decreased	14
	Constant	12
	No Demand	8
<b>Strategies Applied by the Local Repair Shops to Increase the Business.</b>	Online Service	0
	Reduction in Price	18

Door to Door Service	28	56
Any Other	4	8
<b>Main Barriers to the Local Repair Shops.</b>		
High Tech Machines	2	4
Showrooms	14	28
Other Repair Shop	28	56
Online Service	6	12
<b>Superiority of the Local Repair Shops Over the Showrooms.</b>		
0-2.5	4	8
2.5-5	4	8
5-7.5	26	52
7.5-10	16	32
<b>Whether the Local Repair Shop is a Profitable Undertaking or Not.</b>		
Agree	44	88
Disagree	6	12
<b>Views Regarding Collaboration with the Showrooms.</b>		
Already Collaborated	0	0
No Need of Collaboration	50	100
Yet to Collaborate	0	0
<b>Specialization in Which of the Gadget Gives More Profit.</b>		
Household Gadget	44	88
High Tech Machinery	0	0
Industrial Gadgets	2	4
Office Equipment	4	8
<b>Impact of Advertisement on the Customers.</b>		
Majorly Impact	8	16
Slightly Impact	8	16
No Impact	34	68
<b>Extra Services Provided by the Local Repairers in Order to Retain the Customers.</b>		
Charge Less Price	18	36
Provide Exchange Offers	8	16
Installment Facilities	2	4
Door to Door Service	22	44
<b>Convenient Place to Start a Repair Shops.</b>		
Rural Market	2	4
Urban Market	26	52
Suburban	22	44
<b>Reasons for Which Customers Prefer the Local Repair Shops.</b>		
Convenient	32	64
Cost Effective	18	36
Credit Facilities	0	0
<b>Number of Years of Operation of Local Repair Shops.</b>		
0-2 Years	4	8
2-5 Years	6	12
5-10 Years	18	36
More Than 10 Years	22	44
<b>Factors Restricting People from Opting Repair Shops as their Career.</b>		
Insufficient Income	14	28
Lack of Scope	20	40
Seasonal Job	16	32
<b>Ways Through Which Globalization has Affected the Local Repair Shops.</b>		

High Technology Goods	6	12
After Sale Service	26	52
Major Players in Repair Industry	0	0
Showrooms	18	36
<b>Sources of Knowledge About the New Gadgets Repair.</b>		
Online	18	36
Training	24	48
Workshops	6	12
Other Source	2	4
<b>Segments in which there Are Less Number of Repair Shops.</b>		
Household Gadgets	2	4
Office Gadgets	24	48
Factory Machinery	22	44
Restaurant Gadget	2	4
<b>Views of Respondents Regarding Introduction of Innovative Electronic Gadgets.</b>		
Opportunities	42	84
Threat	8	16
<b>Whether There is Negative Impact of the High Tech Machineries on the Local Repair Shops or not.</b>		
Strongly Agree	4	8
Agree	30	60
Disagree	14	28
Strongly Disagree	2	4

Sources: Primary Data

Table shows that they don't think online business can help them to increase their business, where only 20% of the respondents think that the strategy of online services would be favorable, whereas 80% think that it is not favorable.

Table interprets the strategies applied by the local repair shops in order to increase their business where it shows that 56% of them have opted for door to door services and 36% have gone for price reduction. But no one has gone for online business.

Table shows that 88% of the respondents think that the repairs shops are profitable undertaking whereas 12% disagree saying repair shops are not a profitable undertaking.

Table shows that all the respondent think that there is no need of collaboration with the showrooms.

Table shows that 88% of the respondents think that specialization in case of household gadgets is more profitable. And 8% of them think that specialization in office gadgets is more profitable and none of them think that specialization in the high tech machinery is beneficial.

Table shows that 52% of the respondent think that starting repair shops in the urban areas is convenient where as 44% of them think that setting up of repair shops in the suburban areas is convenient and small percentage (4%) think the rural areas are beneficial one.

Table shows the reason why people prefer local repair shops. 64% of the respondents think that customers find local repair shops more convenient while 36% of them think that since it is cost effective to get the electronic gadgets repaired by the local repairers, people prefer the local repair services.

Table shows the factors restricting people to opt this career option. Where 40% of them think that this career have lack of scope and 30% of them think that this business is seasonal in nature and 28% of them think that one of the factor is insufficient income.

Table shows that the respondent think (48%) repair shops for office gadgets is much required and 44% think that repair shops of factory machinery is required, on the other hand only 2% say that repair shops of the household and restaurant gadgets is required.

### ***FINDINGS***

- Most of the repairers have completed their diploma degree in electronics and communication.
- It has been observed that there is an increasing trend in repair business due to growth in electronic industries and increase in the users of electronic gadgets.
- It is regarded that majority of high tech users prefer showroom services.
- Local repairers don't consider online business as favourable for rendering their services.
- A majority of the local repairers have applied the strategy of door to door services to increase their services.
- The repairers consider other repair shops as a major competitor for their business.
- The local repairer considers that there is no need of collaboration with the showrooms.
- Specializations in the repair of the household gadgets are considered more profitable business.
- Local repairers consider that advertisement of their shops don't have any impact on their business because advertisement don't attract the customers.
- One of the reasons why the customers prefer the local repair shop is due to its convenience.
- The respondents have considered urban market is the best place to start up repair business.
- Due to the governments initiative of management of e-waste it has proved a burden on the local repair shops because there are restrictions on disposal of electronic waste.
- Some of the repairers get the knowledge about the repair of new gadgets through experience.
- The respondents think that there will be increase in demand for repair industry in the future because of the new government which has given more importance to this sector by encouraging start-ups in this sector.

### ***SUGGESTIONS***

- As it is observed that there has been increasing trend in repair industry it is better to continue the repair business since it may yield more profits in the future years.
- Since it is the view that majority of high tech machine users prefer showroom services the local repairers can give offers and discounts to the customers to attract the high tech users.
- Along with door to door services the local repairers can charge lesser price for regular customers so that they can maintain their market.
- As other local repairers are considered as major competitors each of the repairs shop can try to be unique either by charging lesser price or providing the services.
- Since advertisement don't have any impact on the repair business it is better for the repair shop not to advertise their shop.
- Even the suburban market can also prove out a convenient place to start repair business since now-a-days people living in suburban areas use more of electronic goods which would provide a better market.
- As there has been a rule set by government in case of disposal of the electronic waste, they can design a new product out of it and either sell it or gift it to the customers.
- Since the respondents think that the introduction of the innovative electronic gadgets provides an opportunity to them, they must update themselves regarding these innovative gadgets.
- Restaurant industry now a day is gaining momentum. And since there are only few numbers of repairers in this segment it would be suggested importance can be given to this sector also.

### ***CONCLUSION***

In order to survive in the market the repairers must keep updating themselves regarding the new gadgets and provide services in such a manner that customer prefer their services than others. They can even think of collaborating with the showrooms so that they don't lose the market all at once even though there is decline in demand for repair



services. They even think of tie ups with some of the electronic gadgets manufacturers in fixing the products where assembly line is followed. Through this way they can survive in the market.

## REFERENCES

- Retrieved from <http://applianceswashinia.blogspot.com/2017/04/usha-home-appliances.html>
- Retrieved from <http://dcmsme.gov.in/reports/electronic/REPAIRSERVICINGOFELECTRICALAPP.pdf>
- Retrieved from <http://frndzzz.com/advantages-and-disadvantages-of-perfect-competition>
- Retrieved from <http://icmrr.org/global/pdffiles/IJMRR/m201709004.pdf>
- Retrieved from <http://ijoes.vidyapublications.com/paper/Vol20/04-Vol20.pdf>
- Retrieved from <http://officeopenxml.com/WPtext.php>
- Retrieved from [http://shodhganga.inflibnet.ac.in/bitstream/10603/3774/14/14\\_chapter%204.pdf](http://shodhganga.inflibnet.ac.in/bitstream/10603/3774/14/14_chapter%204.pdf)
- Retrieved from <http://unpan1.un.org/intradoc/groups/public/documents/apcity/unpan037140.pdf>
- Retrieved from <http://www.officeopenxml.com/WPsampleDoc.php>
- Retrieved from [https://bugs.documentfoundation.org/show\\_bug.cgi?id=48350](https://bugs.documentfoundation.org/show_bug.cgi?id=48350)
- Retrieved from <https://business.mapsofindia.com/auto-repair-shops/>
- Retrieved from <https://en.wikipedia.org/wiki/Waste>
- Retrieved from <https://gmatclub.com/forum/the-table-above-shows-the-distribution-of-test-scores-for-a-130...>
- Retrieved from <https://gmatclub.com/forum/the-table-above-shows-the-quantities-and-prices-per-pound-of-th...>
- Retrieved from <https://indiankanoon.org/doc/257876/>
- Retrieved from <https://listarchives.libreoffice.org/global/users/msg18648.html>
- Retrieved from <https://listarchives.libreoffice.org/global/users/msg18650.html>
- Retrieved from <https://stackoverflow.com/questions/37901004/adding-multiple-images-to-a-word-document-at-...>
- Retrieved from <https://www.coursehero.com/file/p3srui1/Table-2-Gender-of-the-Respondents-Gender-Frequency...>
- Retrieved from <https://www.docx4java.org/forums/docx-java-f6/how-to-remove-space-characters-after-para...>
- Retrieved from <https://www.ijser.org/researchpaper/E-WASTE-IN-INDIA-AN-OVERVIEW.pdf>
- Retrieved from <https://www.indiamart.com/green-earth-enviro/products.html>
- Retrieved from <https://www.letslearnfinance.com/advantages-and-disadvantages-of-monopolistic-competition....>
- Retrieved from <https://www.letslearnfinance.com/advantages-and-disadvantages-of-perfect-competition.html>
- Retrieved from <https://www.slideshare.net/sandeepmishra1990/ddmas-survey>

\*\*\*\*\*