

**GLOBAL AUTO
AFTERMARKET PANEL
KOREA 2004**

SECTION 2.1 AFTERMARKET SERVICE REPAIR (COMPANIES)

Table 3 Top 5 carmaker dealer groups (dealers/franchisees)

Rank	Company	Dealers	Franchisees	Outlets
1	Y	x	x	x
2	Y	x	x	x
3	Y	x	x	x
4	Y	x	x	x
5	Y	x	x	x

Dealers are “directly operated” by the company, and franchises also termed “partners.”
(Source: DR GAP 2004)

The main business in the carmaker authorized dealerships is car sales, and only selected outlets offer auto repair and maintenance services. For example, there are over x Y outlets, but only x are authorized service centres. Service income is mainly warranty repair on cars of their affiliated carmaker. (Warranty repair is work covered by the original guarantee.)

Not new car outlets

The not-new (or used) car market is extremely fragmented, according to the Seoul Used Car Trade Association. Business volumes in the x outlets selling not-new cars are low. The market is changing, with the entry of online companies, often owned by carmakers. Names in this segment include: x, xr (owned by the Korean conglomerate x), and x (owned by x and y).

Table 4 Carmaker companies’ repair service networks

Hyundai	Outlets
x	y
x	y
x	y
x	y
x	y
x	y
x	y
x	y
x	y
x	y
x	y
x	y

(Source: DR GAP 2004)

Table 5 Fast-fit franchises, including those linked to carmakers

Franchise	Outlets
x	y
x	y
x	y
x	y

(Source: DR GAP 2004)

Dealers plan to increase turnover and prevent the loss of market share to fast-fit franchises by opening their own fast service outlets – either directly operated or by linking up with other industry players (i.e. insurers). The largest players in the fast service segment include:

- x - its main work is collision repair service for clients of x (x).
- x franchise - owned by x, x, x, x, x, and x.
- x franchise - owned by x and x.
- x-linked chains - are x, x, and x (offers fuel, lube and other services).
- x - founded in 1987 by the x.

Service repair network for imported cars

The service network for imported cars is very small, because imports account for less than 1% of car sales in Korea. Companies servicing imports include:

- x Korea – y showrooms in major cities (Seoul, Pusan, Kwangju) and service centres in y regions.
- x Korea – y service centres nationwide.
- x Korea.
- x and x - whose authorized dealer is x.
- x.

Independent service repair outlets

Almost x%, or x of the x service repair outlets in Korea, are single-outlet independents. The largest sized outlets are concentrated in the main cities. Names identified in Seoul include x, x, and x.