

# A STUDY ON LOGISTICS PROBLEMS FACED BY CAR DEALERSHIP COMPANIES IN COIMBATORE CITY

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## **ABSTRACT:**

Automobile dealerships are essential to maintaining the efficient flow of vehicles from automakers to final customers, and the automotive sector is a major driver of economic growth. There are many automobile dealerships in Coimbatore, Tamil Nadu, India, which is home to a growing automotive industry. The purpose of this study is to look into and evaluate the logistical difficulties that Coimbatore City's auto dealerships face. The study aims to offer significant insights that can guide strategies for improving the effectiveness of logistics operations in the regional automobile market by recognizing and comprehending these problems. This study explores the complex logistical issues that Coimbatore City, a well-known center for the automotive sector, presents to car dealership businesses. Given the importance of the automobile industry to economic growth, a detailed analysis of logistics operations is required, with a particular emphasis on order fulfillment, inventory management, transportation, and warehousing. This study employs a mixed-methods research strategy to identify, evaluate, and comprehend the effects of these difficulties on the customer satisfaction and operational efficiency of automobile dealerships. The research methods include surveys, interviews, and data analysis.

Key words: Car Dealerships, Regional Economy, inventory management, transportation, distribution channel.

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## **INTRODUCTION:**

In the ever-evolving landscape of the automotive industry, car dealerships play a crucial role as intermediaries between manufacturers and consumers, facilitating the distribution of vehicles and ensuring seamless transactions. Coimbatore City, nestled in the southern part of India, has emerged as a vibrant hub for the automotive sector, hosting numerous car dealership companies that contribute significantly to the regional economy. While the industry thrives, it is essential to scrutinize the logistics processes that underpin the efficient functioning of these dealerships. This study embarks on an exploration of the logistics challenges faced by car dealership companies in Coimbatore City. Logistics, encompassing the intricate web of inventory management, transportation, warehousing, and order fulfillment, forms the backbone of any automotive supply chain. The objective is to unravel the complexities inherent in the logistics operations of car dealerships, understanding the bottlenecks, and identifying opportunities for enhancement.

## **OBJECTIVES OF THE STUDY:**

- To identify the key logistics management adopted by car dealership companies in Coimbatore city
- To understand the current logistics problems faced by car dealership companies in Coimbatore city

## REVIEW OF LITERATURE

**(Khalid Saleh, 2016)<sup>1</sup>** For every company in the globe, logistics has proven to be difficult. Nearly all businesses have concentrated on shipping things more quickly since the advent of e-commerce platforms, but relatively few have given the return process the same kind of attention. Given that India is becoming a major hub for e-commerce, it is imperative that businesses enhance the quality of their services in order to attract a larger customer base. Nitika and Deepam identified the reasons for the expansion of e-commerce in India in their study, "Impact of E-commerce in India: Issues and Challenges." These factors included a busy lifestyle, high discretionary income, product awareness, rising computer education levels, and increased internet usage, according to them (Nitika Goyal and Deepam Goyal, 2016).

**(KPMG, 2017)<sup>2</sup>** This demonstrates the significant impact returns have on customers' shopping experiences, but it also highlights an area for improvement in reverse logistics. After analyzing KPMG's study on E-commerce retail logistics in India, we discovered that, at 48% of the total e-commerce retail value, electronics retail outperformed clothes at 29%. In terms of value, these two largest e-commerce retail divisions account for more than 75% of total sales (KPMG, 2018).

**Hosseinasab et al. (2016)<sup>3</sup>** introduced a two-phase supplier selection procedure for selecting a supplier portfolio based on value, development, and risk consideration. In most of the existing supplier selection research, the supplier selection decisions are based on supplier eligibility at the time of the decision-making. Ever since the introduction of e-commerce websites, almost all the companies have focused on delivering goods faster but there are very few companies who have focused on the return part of it with equal weight. Since India is a growing e-commerce hub, it is time for all the companies to increase its consumer base by improving the service quality.

## RESEARCH METHODOLOGY

### SOURCE OF DATA:

- **PRIMARY DATA:**

Primary data consist of original information collected for specific purpose. This project relied on the response of the car dealership companies in Coimbatore city. Structured Questionnaire was used to collect the primary data.

### SAMPLING PLAN:

- **POPULATION:**

When population data is gathered from every unit, the population, also known as the universe, can be defined as the entire set of items that are relevant in any given situation.

- **SAMPLING UNIT:**

This clarifies who needs to be questioned. The target population to be sampled must be defined by the researcher; after this, a sampling frame is created to ensure that each member of the target population has an equal probability of being chosen.

- **SAMPLE:**

Sample refers to the entire universe that is investigated, and conclusions are made for the entire universe based on this foundation.

- **SAMPLE SIZE:**

Choosing the sampling procedure and the sample size is a crucial decision that needs to be made. The number of sampling units chosen for analysis from the population is known as the sample size. The query "how many people should be surveyed" is answered.

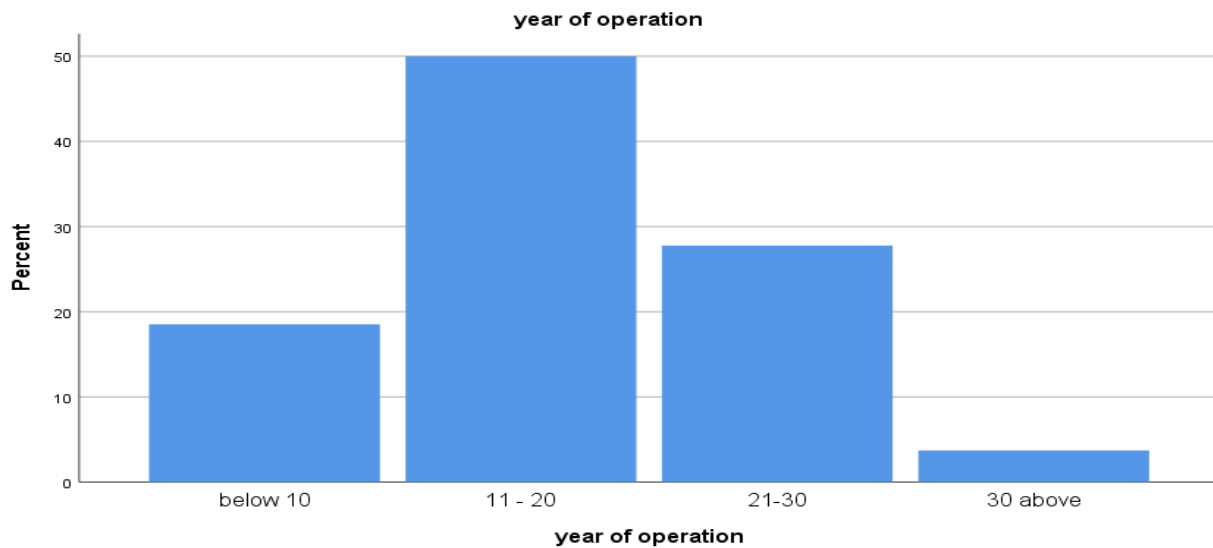
**TYPE OF RESEARCH:**

<b>RESEAAARCH TYPE</b>	DESCRPTIVE STUDY
<b>SAMPLING AREA</b>	COIMBATORE DISTRICT
<b>STUDY AREA</b>	COIMBATORE CITY

**DATA ANALYSIS AND INTREPRETATION**

**TABLE 1.1 – YEARS OF OPERATION**

Categories	Frequency	Percent
Below 10	10	18.5
11-20	27	50
21-30	15	27.8
30 above	2	3.7
Total	54	100

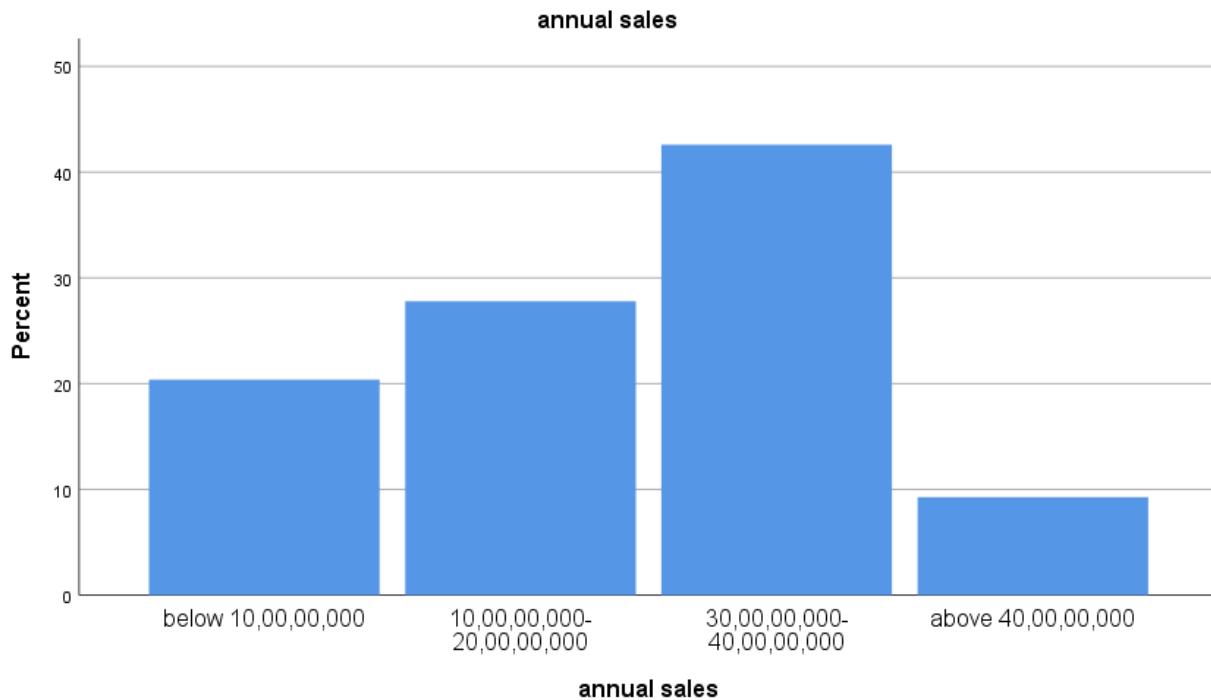


**Interpretation:**

The table depicts that the most number of responds (i.e. 77.3%) are comes under the 11-20 years of operation.

**TABLE 1.2 – ANNUAL SALES**

Values	frequency	percent
Below 10,00,00,000	11	20.4
10,00,00,000 -20,00,00,000	15	27.8
90,00,00,000-40,00,00,000	23	42.6
Above 40,00,00,000	5	9.3
total	54	100



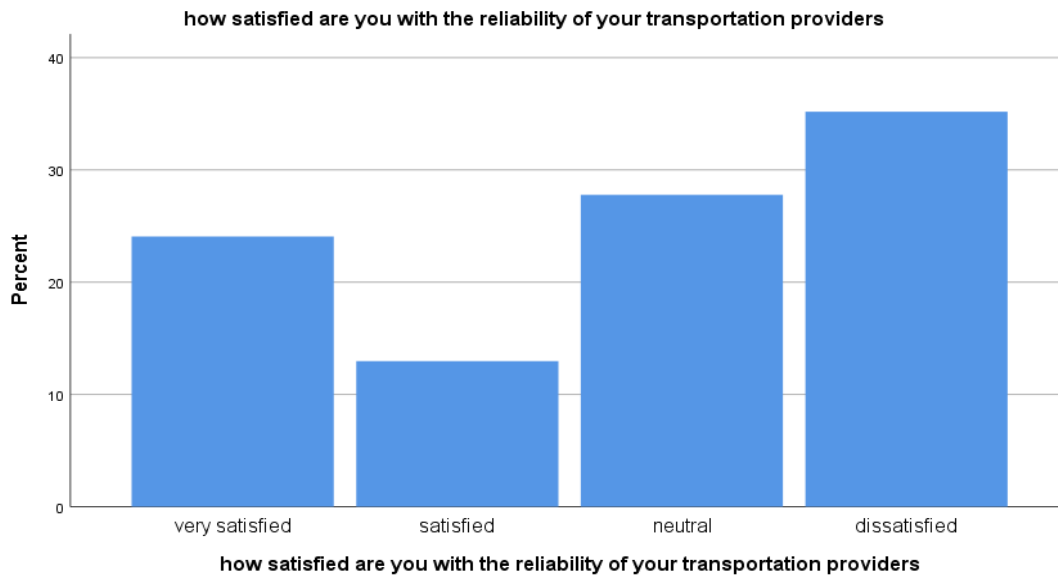
**Interpretation:**

The more number of respondents (42.6%) stated that their revenue fall between 90, 00,000 and 40, 00,000, with 27.8% saying that their revenue fall between 10, 000,00,000 and 10,000,000.

**TABLE: 1.3 -RELIABILITY OF YOUR TRANSPORTATION**

Values	Frequency	percent
Very satisfied	13	24.1

Satisfied	7	13
Neutral	15	27.8
dissatisfied	19	35.2
Total	54	100

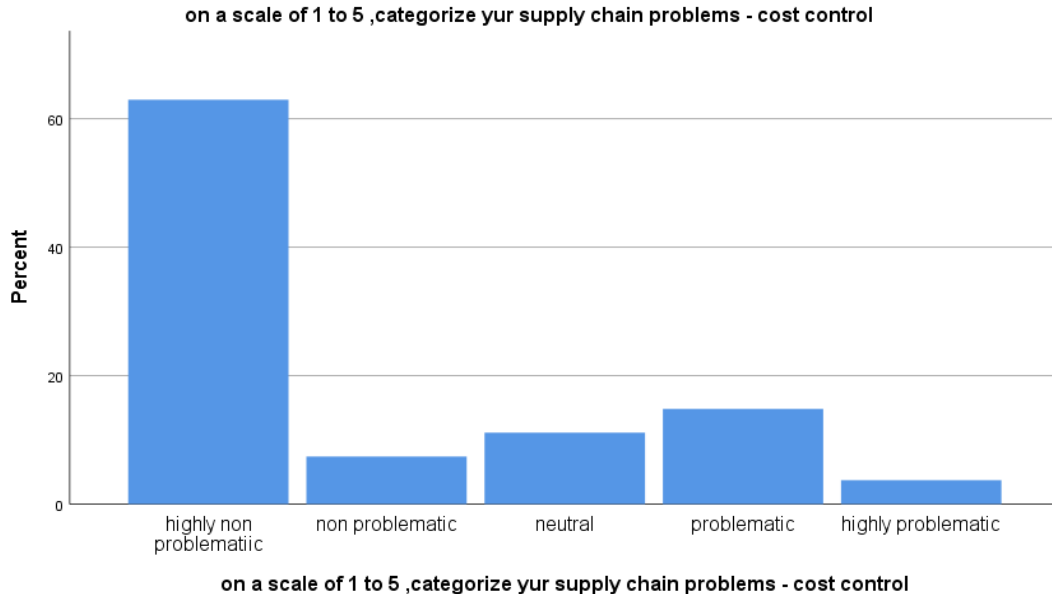


**Interpretation:**

Respondents who expressed dissatisfaction made up the largest number (35.2%), followed by those who expressed neutrality (27.8%) and extreme satisfaction (24.1%). Only 13% of respondents said they were satisfied.

**TABLE: 1.4 -SUPPLY CHAIN PROBLEM – COST CONTROL**

Values	frequency	Percent
Highly non problematic	34	63
Non problematic	4	7.4
Neutral	6	11.1
Problematic	8	14.8
Highly problematic	2	3.7
total	54	100



**Interpretation:**

Just 18.5% of respondents said the matter was problematic, compared to the majority (77.8%) who thought it was highly non-problematic.

**FINDINGS:**

- **Years of Operation:** Of the respondents, the majority (77.3%) have been in business for 11 to 30 years; 50% have been in business for 11 to 20 years, and 27.8% have been in business for 21 to 30 years. Just 3.7% of businesses have been in operation for more than 30 years.
- **Annual Sales:** Of those surveyed, 42.6 percent said their sales were between 90, 00 and 40, 00,000. Of those surveyed, 27.8% said their sales were between 1, 00, 00,000 and 2, 00, 00,000. Sales between Rs:10,00,000 and Rs:20,00,00,000 (27.8%) and above Rs:40,00,00,000 (9.3%) were reported by fewer respondents.
- **Cost control is a supply chain challenge** that most people (77.8%) thought it very non-problematic, while only 18.5% thought it was difficult.

**CONCLUSION:**

This report clarifies the logistical difficulties that auto dealership businesses have, providing important information about problem areas and possible solutions. The results emphasize the complexity of logistical challenges facing the automotive sector, ranging from problems like port congestion and growing freight costs to concerns like labor shortages. Although a wide range of obstacles has been highlighted, there exist prospects for tactical interventions and cooperative endeavors. Car dealerships may reduce risks, increase operational effectiveness, and boost customer happiness by fixing supply chain inefficiencies, improving transportation reliability, and adjusting to shifting customer expectations. To effectively handle logistical difficulties, stakeholders must, however, acknowledge their dynamic character and take a proactive, flexible approach.

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