Assessing the Market Potential for Classic Car Modifications in Kuwait: A Feasibility Study and Strategic Business Plan Development

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ABSTRACT

The global automotive industry is increasingly shifting toward sustainability, technological modernization, and personalized vehicle ownership. At the same time, the classic car market continues to expand due to nostalgia, heritage value, and collector interest. However, classic vehicle owners in many regions, including Kuwait, face challenges such as poor reliability, higher emissions, and limited access to specialized restoration or modification services. Emerging trends in the automotive sector highlight the growing popularity of "restomod" approaches, which integrate modern technologies, such as Electronic Fuel Injection (EFI), catalytic converters, and performance upgrades, into classic vehicles while preserving their original aesthetics. Despite Kuwait's strong automotive culture and high disposable income, limited research has explored the feasibility of eco-friendly classic car modification services within the country. This study aims to assess the market potential for eco-friendly classic car modification services in Kuwait and develop a strategic business plan for a specialized automotive venture called Classic Paradise. A qualitative research design guided by a pragmatist philosophy was employed to evaluate the feasibility of the proposed business concept. Primary data were collected through surveys, stakeholder interviews, and ethnographic observations within Kuwait's automotive community. The survey involved 39 respondents and assessed interest in classic vehicles and modification services. Interviews with industry stakeholders, including mechanics, garage owners, showroom managers, and enthusiasts, provided insights into market demand and operational challenges. Secondary data from academic literature, industry reports, and government publications supplemented the analysis. Analytical tools including SWOT, PESTLE, and thematic analysis were used to interpret the data. The findings indicate strong interest in classic vehicles, with 76.9% of respondents expressing interest in owning one for personal enjoyment. However, respondents highlighted challenges related to maintenance, reliability, and sourcing specialized parts. Interviews also revealed a significant market gap for professionally modified classic vehicles integrating modern and eco-friendly technologies. Kuwait presents a promising niche market for eco-friendly classic car modification services. By combining heritage vehicle aesthetics with modern engineering solutions, Classic Paradise can address market gaps while aligning with evolving automotive trends.

Keywords: Classic Cars; Automotive Restoration; Sustainable Transportation; Automotive Market Analysis; Entrepreneurship in Automotive Industry

INTRODUCTION

1.1 Background

The global automotive industry is currently experiencing a transformative shift as technological innovation, environmental concerns, and changing consumer expectations reshape the way vehicles are designed, used, and modified. Increasing awareness of climate change and environmental sustainability has encouraged governments, industries, and consumers to adopt cleaner and more efficient transportation solutions. As a result, electric mobility, fuel-efficient engines, and emission reduction technologies have become major priorities across the automotive sector. Research indicates that modern automotive markets are increasingly influenced by technological advancements such as electric powertrains, improved fuel injection systems, and advanced emission-control technologies that aim to reduce environmental impact while improving vehicle performance (Dey and Mehta, 2020). In addition, global demand for battery electric vehicles and sustainable transportation alternatives continues to grow due to regulatory incentives and consumer preference for environmentally responsible mobility solutions (Towards Automotive, 2025).

Despite the rise of modern automotive technologies, classic cars continue to hold a unique and valuable position within the global automotive culture. Classic vehicles are widely appreciated for their heritage, craftsmanship, and historical significance. Enthusiasts and collectors often view these vehicles not only as transportation assets but also as cultural artifacts and investment opportunities. Consequently, the global classic car market has maintained consistent growth

over the past decade. According to market projections, the global classic car market was valued at approximately $43 billion in 2024 and is expected to reach nearly $65 billion by 2034, demonstrating a steady growth trajectory driven by nostalgia, heritage appreciation, and increasing investment interest (Exactitude Consultancy, 2025). Furthermore, the restoration and customization segment within the classic car market has become particularly prominent, with consumers increasingly seeking modifications that enhance performance, safety, and driving comfort while maintaining the aesthetic appeal of vintage automobiles (Intersection Magazine, 2025).

In recent years, a new trend has emerged within the classic car industry known as the "restomod" movement, which combines traditional restoration techniques with modern technological upgrades. Restomod vehicles maintain the visual character and heritage of classic automobiles while incorporating contemporary mechanical improvements such as modern suspension systems, upgraded braking technology, electronic fuel injection systems, and even electric powertrains (Ross, 2025). This approach allows enthusiasts to enjoy the distinctive aesthetics of classic cars while benefiting from the reliability, efficiency, and environmental advantages of modern automotive technology. In particular, the integration of electric propulsion systems into classic vehicles has gained significant attention, as it offers the opportunity to preserve historic automotive designs while simultaneously reducing emissions and fuel consumption (Towards Automotive, 2025). The market for electric classic cars alone is projected to grow from approximately USD 219.13 million in 2024 to nearly USD 669.11 million by 2034, indicating strong interest in sustainable classic car solutions (Towards Automotive, 2025).

Within the Middle East, and particularly in Kuwait, the automotive sector plays a significant role in both economic activity and social culture. Kuwait has one of the highest vehicle ownership rates in the world, with approximately 800 vehicles per 1,000 residents, reflecting a strong national interest in automobiles (Ken Research, 2023). The country also possesses a vibrant classic car culture, supported by enthusiast communities, collector networks, and automotive events that celebrate vintage vehicles. Many collectors in Kuwait show a strong preference for classic American muscle cars, European sports cars, and historically iconic automotive models that represent both cultural heritage and investment potential (4sale, 2025; Cottingham, 2025). At the same time, Kuwait's automotive market itself is experiencing substantial economic growth. The national automotive sector was valued at approximately USD 3.58 billion in 2023 and is projected to grow significantly over the next decade due to rising consumer demand, high disposable income, and expanding automotive infrastructure (Astute Analytica, 2024).

Alongside economic development, Kuwait has also committed to ambitious sustainability initiatives under its national development framework, Vision 2035. The country aims to diversify its economy and promote sustainable development through environmental initiatives such as increasing renewable energy usage and reducing carbon emissions (MOFA, 2025). Kuwait has set long-term environmental goals including achieving approximately 15% renewable energy generation by 2030–2035 and reaching net-zero emissions by 2060 (Enerdata, 2022; RCREEE, 2024). These policy directions are increasingly influencing consumer behavior as well. Studies suggest that Kuwaiti consumers are becoming more aware of climate-related issues and are demonstrating growing interest in environmentally responsible products and technologies (Visa, 2023). As a result, the market for sustainable vehicles in Kuwait has begun expanding rapidly, with projections indicating substantial growth in the adoption of environmentally friendly automotive technologies (CitaEVCharger, 2025).

However, despite the growing interest in sustainability and the strong presence of classic car enthusiasts in Kuwait, the market currently lacks specialized services that combine both elements. Traditional classic car restoration businesses primarily focus on aesthetic restoration or period-correct mechanical repairs rather than sustainable technological upgrades. Consequently, classic car owners who wish to modernize their vehicles with environmentally friendly technologies such as electronic fuel injection systems, biodiesel-compatible engines, or electric powertrains face limited options within the domestic market. Many enthusiasts must either maintain older technology with higher

emissions and lower efficiency or seek expensive international modification services. This gap between consumer demand and available services represents a significant opportunity within Kuwait's automotive market.

The proposed venture, Classic Paradise, seeks to address this gap by introducing a specialized facility dedicated to sustainable classic car restoration and modification. The company aims to combine vintage automotive aesthetics with modern technological advancements, offering services such as electric drivetrain conversions, biodiesel-compatible engine upgrades, electronic fuel injection installations, and structural safety enhancements. By integrating sustainable engineering solutions into classic vehicle restoration, Classic Paradise aims to provide an innovative value proposition that allows car enthusiasts to enjoy classic vehicles while minimizing environmental impact. This approach aligns not only with evolving global automotive trends but also with Kuwait's broader sustainability objectives and the preferences of environmentally conscious consumers.

Furthermore, the business concept aims to introduce a unique service niche within Kuwait's automotive industry by combining restoration artistry with modern automotive engineering expertise. Unlike traditional restoration garages that focus solely on cosmetic refurbishment or mechanical repairs, Classic Paradise emphasizes technologically advanced restomod solutions designed to improve performance, reliability, fuel efficiency, and environmental responsibility. By offering high-quality craftsmanship, modern safety enhancements, and sustainable automotive technology integration, the venture intends to position itself as a leading provider of eco-friendly classic car modification services in Kuwait.

The present study therefore seeks to evaluate the feasibility, market potential, and strategic direction of establishing Classic Paradise within Kuwait's automotive ecosystem. Through a comprehensive examination of industry trends, consumer behavior, technological possibilities, and competitive dynamics, the research aims to determine whether a specialized eco-friendly classic car modification business can successfully operate and grow within the Kuwaiti market. By analyzing market opportunities and identifying operational challenges, the study contributes to a deeper understanding of how heritage automotive culture can coexist with sustainability-driven innovation in modern transportation systems.

1.2 Research Objectives

1. To analyze the market demand for eco-friendly classic car modification services in Kuwait.
2. To evaluate the feasibility of integrating sustainable technologies such as Electronic Fuel Injection (EFI), biodiesel-compatible engines, and electric powertrains into classic vehicles.
3. To identify the market gaps and opportunities within Kuwait's classic car restoration and customization industry.
4. To examine consumer preferences and attitudes toward sustainable classic vehicle modifications.
5. To determine the strategic, operational, and financial factors necessary for successfully establishing Classic Paradise as a sustainable automotive venture in Kuwait.

1.3 Research Questions

1. What is the feasibility of establishing a sustainable classic car modification business in Kuwait?
2. What level of demand exists among Kuwaiti classic car enthusiasts for eco-friendly vehicle modifications?
3. What technological solutions are most suitable for integrating sustainability into classic vehicles?

4. What operational and market challenges may arise when launching a specialized classic car modification venture in Kuwait?

5. How can Classic Paradise differentiate itself from existing restoration services and achieve a competitive advantage in the Kuwaiti automotive market?

1.4 Related Work

Existing literature provides a substantial foundation for understanding the intersection of environmental sustainability, automotive engineering, consumer behavior, and technological innovation within the automotive sector. A significant body of research highlights that the automotive industry is one of the major contributors to global greenhouse gas emissions and urban air pollution, primarily due to the widespread use of internal combustion engine (ICE) vehicles (Williams & Blyth, 2023). These environmental concerns have prompted governments worldwide to introduce stricter emission regulations aimed at reducing pollutants such as nitrogen oxides (NOx), carbon monoxide (CO), particulate matter (PM), and hydrocarbons (HC). Regulatory frameworks such as the European Euro emission standards and the U.S. Corporate Average Fuel Economy (CAFÉ) standards have played a crucial role in driving technological innovation in vehicle design and emission control systems (DieselNet, 2024; Samaras & Meisterling, 2008). These policies have encouraged the development of advanced engine technologies, emission control systems, and alternative fuel solutions that significantly reduce the environmental footprint of vehicles (Conway et al., 2021).

Among the most widely studied emission-control technologies in the automotive sector are catalytic converters, which serve as critical exhaust after-treatment devices. Catalytic converters function by facilitating chemical reactions that convert harmful exhaust gases into less toxic substances through the use of precious metal catalysts such as platinum, palladium, and rhodium (Heck & Farrauto, 2001; Khair & Majewsky, 2006). In gasoline-powered vehicles, three-way catalytic converters simultaneously reduce nitrogen oxides while oxidizing carbon monoxide and unburned hydrocarbons into less harmful compounds such as carbon dioxide and water (Epling et al., 2004; Kaspar et al., 2003). Research indicates that the integration of modern catalytic converter systems into older vehicles can substantially reduce pollutant emissions and improve overall environmental performance (Balaji et al., 2018). However, effective catalytic converter operation depends on maintaining precise air–fuel ratios and adequate operating temperatures, which may present technical challenges when retrofitting older engines (Koltsakis & Stamatelos, 1997).

Another important technological advancement widely discussed in the literature is Electronic Fuel Injection (EFI), which has largely replaced traditional carburetor-based fuel delivery systems in modern vehicles. Carburetors, commonly used in classic cars, rely on mechanical vacuum pressure to mix fuel with air, often resulting in inconsistent air–fuel ratios and inefficient combustion processes (Stone, 1999). In contrast, EFI systems use electronically controlled injectors regulated by an engine control unit (ECU) that continuously adjusts fuel delivery based on real-time sensor data (Heywood, 2018). This precise control improves combustion efficiency, reduces fuel consumption, and significantly lowers emissions. Empirical studies demonstrate that EFI systems can improve fuel efficiency by approximately 10–20% while simultaneously enhancing engine reliability and reducing harmful emissions (Alkidas, 2007; Ilyas et al., 2020; Rakopoulos et al., 2008). As a result, EFI conversion has become one of the most commonly recommended upgrades for improving the environmental and operational performance of classic vehicles.

In addition to technological improvements in engine systems, alternative fuels have also gained attention as sustainable solutions for reducing dependence on fossil fuels. Biodiesel, which is typically derived from vegetable oils, animal fats, or recycled cooking oil through transesterification processes, has emerged as a promising renewable fuel alternative (Knothe, 2005; Demirbas, 2007). Research suggests that biodiesel blends can significantly reduce emissions of particulate matter, hydrocarbons, and carbon monoxide compared to conventional diesel fuel (Lapuerta et al., 2008; Monyem & Van Gerpen, 2001). Although biodiesel combustion may result in slightly increased nitrogen

oxide emissions, its overall environmental benefits make it a viable option for reducing transportation-related pollution (Knothe et al., 2006; Szybist et al., 2005). For older diesel vehicles, biodiesel can often be used with minimal engine modifications, although certain adjustments may be required to address fuel system compatibility and storage stability concerns (Canakci, 2007).

Beyond technological aspects, research on classic car restoration and modification trends highlights the growing popularity of "restomod" practices. Restomods involve restoring classic vehicles while integrating modern technologies to enhance performance, reliability, and safety (Oliver, 2022). This movement reflects a broader shift within automotive culture, where enthusiasts increasingly seek to preserve the aesthetic and historical value of classic cars while benefiting from contemporary engineering improvements (Sanmarinospeed, 2023). Studies indicate that restomods have gained popularity because they allow owners to maintain the nostalgic appeal of vintage vehicles while addressing practical limitations such as outdated mechanical systems and safety concerns (The Peninsula Qatar, 2024).

Furthermore, research on consumer behavior within automotive markets indicates that environmental awareness increasingly influences purchasing decisions. Consumers with strong pro-environmental attitudes are more likely to adopt technologies that reduce environmental impact, particularly when such innovations also offer functional benefits such as improved fuel efficiency and reliability (Dutta & Hwang, 2021). However, adoption decisions are also shaped by perceived value, technological complexity, and trust in service providers (Arts et al., 2011). In niche markets such as classic car modification, additional factors including emotional attachment, cultural identity, and status signaling often influence consumer preferences (Belk, 1988; Cova & Cova, 2012).

Overall, the existing literature demonstrates that technological innovations, environmental awareness, and cultural factors collectively shape the evolution of the automotive industry. While significant research exists on emission reduction technologies, alternative fuels, and classic car restoration practices, relatively few studies examine the integration of sustainable automotive technologies within classic vehicles, particularly in emerging markets such as Kuwait. This gap highlights the need for further research exploring how eco-friendly modification services can bridge the divide between automotive heritage preservation and modern environmental sustainability.

METHODOLOGY

This study adopts a qualitative research methodology to investigate the feasibility and strategic potential of the Classic Paradise business concept within Kuwait's automotive sector. Qualitative research is particularly suitable for studies that aim to understand perceptions, motivations, behaviors, and attitudes rather than relying solely on numerical measurement. The purpose of this research is to explore how consumers, automotive experts, and stakeholders perceive eco-friendly classic car modifications and to evaluate whether such a business model can succeed within the Kuwaiti market. Qualitative methodology allows the researcher to analyze descriptive information and interpret complex social and economic dynamics related to niche markets such as classic car restoration and customization. According to Aspers & Corte (2019), qualitative research enables the exploration of social phenomena through non-numerical data, allowing deeper insights into human perspectives and decision-making processes.

The research integrates elements of ethnographic observation and case study analysis to build a comprehensive understanding of the market environment. Ethnographic components involve observing the behaviors and preferences of classic car enthusiasts and automotive communities in their natural environment, enabling the researcher to identify cultural values, social influences, and purchasing motivations. Ethnography is widely used to understand the practices and behaviors of a culture-sharing group within their real-life context (Tomaszewski et al., 2020). In addition, case study analysis helps examine existing automotive businesses, restoration practices, and technological trends that are relevant to sustainable vehicle modification. Combining these approaches allows the research to capture detailed insights regarding both consumer demand and industry feasibility.

2.1 Research Philosophy

The research is guided by a pragmatist research philosophy, which emphasizes practical solutions and real-world applicability of knowledge. Pragmatism focuses on identifying approaches that best address the research problem rather than strictly adhering to a single epistemological framework. This philosophy is particularly relevant in business research because the objective is not only to understand a phenomenon but also to develop actionable strategies that can inform business planning and decision-making (Kaushik & Walsh, 2019).

Within the context of Classic Paradise, pragmatism allows the researcher to integrate different sources of information, including consumer perspectives, industry expertise, and secondary market data. This approach recognizes that market opportunities and entrepreneurial decisions are shaped by multiple factors such as technological feasibility, economic conditions, and consumer attitudes. According to Creswell & Clark (2018), pragmatism encourages researchers to employ the most suitable methods to address specific research questions and generate practical insights. By adopting this philosophical perspective, the study focuses on producing findings that can directly support the development of a sustainable business model for eco-friendly classic car modifications in Kuwait.

2.2 Research Design

The study employs a descriptive research design within a non-experimental framework. Descriptive research aims to explore and document characteristics of a particular phenomenon without manipulating variables. This design is appropriate because the research seeks to understand consumer attitudes toward classic cars, sustainable technologies, and automotive customization rather than testing cause-and-effect relationships. Descriptive research enables the researcher to collect detailed qualitative information and identify patterns that explain market behavior (Busetto et al., 2020).

Both primary and secondary data sources were utilized to provide a comprehensive understanding of the research problem. Primary data was collected through surveys and interviews with stakeholders within Kuwait's automotive ecosystem. These interactions provided firsthand insights into consumer motivations, technological feasibility, and market challenges. Primary data collection allows researchers to gather authentic information directly from participants, which enhances the relevance of the findings (Sharma & Sarkar, 2019).

Secondary data sources included academic journals, industry reports, and market analyses related to automotive technology, sustainability, and consumer behavior. These sources provided theoretical support and contextual information that helped interpret the primary data collected during the research.

2.3 Research Methods and Data Collection

The study employed several qualitative data collection methods, including interviews, surveys, ethnographic observations, and case studies. Interviews were conducted with automotive industry professionals such as garage owners, mechanics, dealership representatives, and other stakeholders. These interviews provided insights into operational realities, supply chain considerations, and technical feasibility related to eco-friendly modifications. Interviews are widely recognized as valuable qualitative tools for obtaining detailed perspectives from individuals with relevant expertise (Taherdoost, 2021).

A survey questionnaire was also distributed to potential customers and automotive enthusiasts to assess consumer interest in sustainable classic car modifications. The survey collected information regarding preferences for vehicle technologies, environmental attitudes, price sensitivity, and expectations from modification services. The questionnaire was validated through a pilot test involving three individuals with automotive and business backgrounds to ensure clarity and relevance.

Secondary data was gathered from scholarly publications, government reports, and online databases to support the research framework and provide comparative market insights. According to Perez-Sindin (2017), combining primary and secondary data enhances research reliability and allows researchers to validate findings through cross-referencing multiple sources.

2.4 Data Analysis

The collected data was analyzed using thematic analysis and content analysis techniques. Thematic analysis involves identifying recurring patterns and themes within qualitative data, allowing researchers to interpret underlying meanings and relationships (Humble & Mozelius, 2022). Interview transcripts and observational notes were carefully examined to identify key themes related to market demand, technology adoption, and business feasibility.

Content analysis was also used to examine textual responses from surveys and interviews by categorizing key concepts and ideas within the collected information. This approach allows researchers to systematically interpret qualitative data and identify trends within the responses (Jowsey et al., 2021). Through these analytical techniques, the study was able to derive meaningful insights regarding consumer attitudes, technological opportunities, and the overall feasibility of launching Classic Paradise in Kuwait's automotive market.

RESULTS

This chapter presents the findings derived from both primary and secondary research conducted to evaluate the feasibility of establishing Classic Paradise in Kuwait's automotive market. The analysis integrates multiple analytical frameworks including SWOT analysis, PESTLE analysis, survey findings, and thematic insights from stakeholder interviews. Together, these approaches provide a comprehensive understanding of the internal capabilities of the proposed business, the external market environment, and consumer perceptions regarding eco-friendly classic car modifications. The findings also help identify strategic opportunities and potential challenges that may influence the implementation of the business model.

3.1 SWOT Analysis

The SWOT analysis evaluates the internal strengths and weaknesses of Classic Paradise while also identifying external opportunities and threats present within the Kuwaiti automotive market. This framework assists in strategic planning by highlighting the areas where the business can leverage its advantages while mitigating risks.

Table 1: SWOT Analysis for Classic Paradise

Category	Details
Strengths	- Owner's knowledge and expertise in terms of pro-touring the classic car. - First mover advantage in the specialized niche of eco-friendly and performance-oriented classic car modifications in Kuwait. - Strong potential alliances (like with Sharq Classic Garage, international parts suppliers) for seamless facilitation and delivery of pro-toured classic cars.
Weaknesses	- Limited target market initially due to the niche nature of the service. - Long duration (potentially 12–18 months) for the building/modification process of a classic car. - High investment cost for specialized equipment, skilled labor, and initial projects. - Potentially high cost and time-consuming logistics for sourcing specialized parts.

	- Reliance on a small number of specialized international suppliers for key components (like chassis, EFI kits).
Opportunities	- Difficult market entry for direct competitors due to the high cost of investment, specialized knowledge required, and limited initial target market size. - Potential for expansion into the broader GCC region due to a current lack of direct, specialized competitors in eco-focused classic modifications. - Opportunity to diversify the product line in the future to include other types of classic cars, related products (like branded apparel, high-performance parts sales), or maintenance services for modified classics.
Threats	- Timely availability and cost fluctuations of specialized car parts, especially imported components. - Rise of new local or international competitors attempting to enter the niche market as it grows. - Long duration of project completion could lead to cash flow challenges or customer impatience. - Evolving governmental rules and regulations regarding vehicle modifications, emissions standards, and import/export policies in Kuwait (**KUNA, 2025**).

The SWOT analysis suggests that Classic Paradise has strong strategic potential due to its specialized expertise and first-mover advantage in eco-friendly classic car modification services. However, challenges such as high startup costs, long project timelines, and dependence on imported components must be carefully managed.

3.2 PESTLE Analysis

The PESTLE framework examines the broader macro-environmental factors that may influence the operations and success of Classic Paradise in Kuwait.

Table 2: PESTLE Analysis for Classic Paradise in Kuwait

Factor	Details
Political	- Kuwait maintains a relatively stable political environment, although the dissolution of the National Assembly in 2024 introduced temporary political adjustments (**Congress.gov, 2024**). - Kuwait's Vision 2035 promotes economic diversification and private sector growth, potentially supporting innovative SMEs (**KUNA, 2025**).
Economic	- Kuwait's economy remains heavily dependent on oil revenues, exposing it to global price volatility (**Alawadhi & Longe, 2024**). - The automotive market was valued at USD 3.58 billion in 2023 and continues to grow (**Taiwan News, 2025**). - High disposable income among affluent consumers supports demand for luxury and specialized automotive services (**MarketResearch.com, 2024**).
Social	- Kuwait has a strong automotive culture where vehicle ownership often represents social status. - Classic car enthusiasts form active communities and clubs.

	- Word-of-mouth recommendations and brand reputation significantly influence purchasing decisions.
Technological	- Internet penetration reached 99% in Kuwait in 2025, enabling effective digital marketing (**DataReportal, 2025**). - Gradual growth in electric vehicle infrastructure indicates increasing acceptance of modern automotive technologies (**CitaEVCharger, 2025**).
Legal	- New regulations aim to simplify commercial licensing and improve business transparency (**Meysan, 2025**). - Vehicle modifications may require inspections and regulatory approvals (**Icartea, 2025**).
Environmental	- Kuwait Vision 2035 emphasizes environmental sustainability and emissions reduction (**UN-Habitat, n.d.**). - The transportation sector remains a major contributor to emissions, increasing demand for eco-friendly solutions (**Edbais & Hossain, 2025**).

The PESTLE analysis demonstrates that Kuwait provides a generally supportive environment for a specialized automotive business. Economic affluence and strong car culture support demand, while government initiatives toward sustainability align with Classic Paradise's eco-focused services.

3.3 Survey Data Analysis

Survey data provided insights into consumer perceptions and market demand for classic cars in Kuwait. The findings indicate a strong interest in classic vehicles, particularly when they provide unique driving experiences and aesthetic appeal. The automotive industry in Kuwait is estimated to have a market value of approximately 3.1 million according to the research data. The proposed investment for Classic Paradise is estimated at 200,000 with an expected return on investment of approximately 12% within the first five years of operation.

The survey results show that 76.9% of respondents expressed interest in purchasing a classic car primarily for personal enjoyment rather than investment. This suggests that emotional and experiential factors play a significant role in classic car ownership. In addition, 47.4% of respondents indicated that the unique driving experience provided by classic vehicles is a major motivation for purchase.

Furthermore, 69.2% of participants reported willingness to purchase a classic vehicle if appropriate options were available in the market. However, the findings also highlight price sensitivity among consumers. Approximately 42.1% of respondents perceive classic cars as highly expensive, which may discourage some potential buyers. These findings emphasize the importance of carefully designing pricing strategies for modified classic cars while also communicating the value added through improved reliability, performance, and modern technology.

The researcher also conducted prototype testing by presenting a modified classic car at two major automotive exhibitions. Out of approximately 100 individuals who reviewed the prototype, 10 expressed strong purchase interest and requested contact information. This response rate exceeded initial expectations and indicates genuine interest in eco-friendly modified classics.

Further investigation into the competitive landscape revealed a significant gap in the market. Several local automotive businesses including Sharq Classic Garage, Rayan Rides Garage, Redline Autotrade, and others face difficulties

sourcing classic vehicles and specialized parts. Meanwhile, major dealerships such as Ford Alghanim, Dodge Mulla and Bahbahani, Chevrolet Alghanim, and Mercedes Almulla focus primarily on selling new vehicles rather than classic or modified cars. These findings confirm that the market currently lacks specialized providers offering eco-friendly classic vehicle modifications.

3.4 Thematic Analysis of Interviews

Qualitative interviews conducted with industry stakeholders revealed several recurring themes regarding the feasibility of Classic Paradise.

Theme 1: Untapped Demand for Modified Classic Cars

Interview participants consistently emphasized that Kuwait has a strong classic car culture but limited availability of modified classics. According to the owner of Sharq Classic Garage, Kuwait has more than 15,000 classic cars, yet modified vehicles remain rare due to limited expertise and high costs. Enthusiasts expressed strong interest in classic cars that combine vintage aesthetics with modern performance and reliability.

Theme 2: Challenges in Parts Sourcing and Skilled Labor

Industry experts highlighted significant challenges related to sourcing specialized components and finding technicians with relevant expertise. Many owners currently import parts from international markets such as the United States or the UAE. This confirms the need for Classic Paradise to establish strong international supplier partnerships and invest in skilled technicians.

Theme 3: Customer Preference for Reliability and Modern Features

Interview responses revealed that many classic car owners prefer vehicles that maintain vintage appearance but incorporate modern mechanical features such as EFI systems, improved braking systems, and modern air-conditioning. Younger collectors particularly emphasized usability and reliability rather than strict historical authenticity.

Theme 4: Importance of Trust and Quality Assurance

Trust emerged as a critical factor influencing purchasing decisions. Potential customers indicated willingness to pay premium prices if modifications are performed by certified professionals and backed by warranties. Demonstrating craftsmanship, transparency, and documented project portfolios will therefore be essential for building credibility.

Theme 5: Regulatory and Insurance Considerations

Stakeholders highlighted the importance of complying with regulations related to vehicle modifications and import procedures. Insurance providers indicated that modified classic vehicles require detailed documentation, engineering certifications, and valuation assessments before coverage is approved.

Theme 6: Growing Interest in Sustainable Automotive Technology

Interviewees also expressed openness toward environmentally friendly automotive solutions. While sustainability is not always the primary motivation, eco-friendly technologies such as EFI systems and catalytic converters are viewed positively, particularly if they enhance vehicle performance and efficiency.

Overall, the findings demonstrate that Kuwait presents a promising market for eco-friendly classic car modification services. Survey results indicate strong consumer interest, while interview data confirms the presence of an

underserved niche market. Although challenges exist in terms of supply chains, technical expertise, and regulatory compliance, these obstacles also create barriers that protect the market from new competitors. Combined with supportive macro-economic conditions and a strong automotive culture, these findings suggest that Classic Paradise has the potential to establish itself as a pioneering business within Kuwait's classic car industry.

4. BUSINESS PLAN

This chapter presents the complete business plan for **Classic Paradise**, integrating the strategic insights, market research findings, and feasibility assessments developed in the previous chapters. The chapter outlines the market opportunity, marketing strategy, operational framework, organizational structure, and financial projections necessary for establishing and operating a specialized classic car modification and restoration company in Kuwait. The business model focuses on providing high-quality customized services that combine vintage automotive aesthetics with modern performance, reliability, and environmentally responsible technologies. The strategy aligns with global automotive modernization trends and sustainability initiatives discussed earlier in the literature (**Towards Automotive, 2025; Edbais & Hossain, 2025**).

4.1 Market Needs

The research findings presented in earlier chapters confirm the existence of a clear and underserved market demand for professionally modified classic vehicles in Kuwait. Enthusiasts within the Kuwaiti automotive community demonstrate a strong appreciation for classic cars but often encounter several challenges in maintaining and upgrading them. These challenges include difficulty sourcing authentic parts, lack of specialized technicians capable of handling classic vehicles with modern technology, and limited local workshops offering advanced modification services.

Classic Paradise addresses these market gaps by offering specialized modifications such as Electronic Fuel Injection (EFI) conversion, catalytic converter installation, chassis upgrades, and custom performance enhancements. These services improve vehicle reliability, drivability, safety, and environmental performance while preserving the original design and heritage of the vehicle. The concept aligns with the growing global "restomod" movement that integrates modern engineering technologies into classic vehicles while maintaining their cultural and aesthetic value (**Oliver, 2022; Sanmarinospeed, 2023**).

Additionally, the study found that many Kuwaiti car enthusiasts seek greater personalization and customization in their vehicles. High disposable income and a strong car culture make the Kuwaiti market particularly suitable for luxury automotive services. At the same time, the increasing emphasis on sustainability under Kuwait Vision 2035 supports the adoption of eco-friendly automotive technologies such as catalytic converters and improved fuel efficiency systems (**UN-Habitat, n.d.; KUNA, 2025**).

4.2 Marketing Plan

The marketing strategy for Classic Paradise aims to position the company as the premier provider of sustainable classic car modifications in Kuwait. The marketing plan is structured around four key components: product/service offerings, pricing strategy, promotional activities, and sales channels.

The core product and service offerings focus on specialized classic car modification services. These include eco-friendly catalytic converter installations to reduce emissions, Electronic Fuel Injection (EFI) conversions that improve performance and fuel efficiency, expert carburetor tuning for authenticity-focused clients, and structural upgrades such as full-frame chassis swaps that improve vehicle stability and safety. Each project will be customized to meet the specific preferences and requirements of the customer, ensuring that the final product reflects both technical excellence and individual identity.

The pricing strategy follows a premium value-based approach that reflects the specialized craftsmanship and high level of customization involved in each project. Three service tiers will guide the pricing structure: Standard Pro-Touring modifications priced at approximately KWD 15,000, Medium Pro-Touring modifications priced around

KWD 25,000, and Full Pro-Touring builds priced at approximately KWD 35,000. These tiers allow flexibility while maintaining profitability.

Promotion will rely on a multi-channel marketing strategy combining digital and offline engagement. A professional website will showcase completed projects, detailed service descriptions, and technical explanations of modifications. Social media platforms, particularly Instagram, will be used to highlight project progress and attract enthusiasts. Participation in automotive exhibitions, car shows, and classic car club events will further strengthen brand visibility. Given the importance of trust in luxury automotive markets, client testimonials and visual project portfolios will play a central role in building credibility.

Sales will follow a direct consultative model where customers interact directly with the workshop team to discuss project goals, technical requirements, and customization preferences. This personalized approach ensures strong customer relationships and enhances client satisfaction.

4.3 Operational Plan

Operational efficiency is essential to maintaining the high-quality standards promised by Classic Paradise. The company will establish a workshop facility in **Shuwaikh**, Kuwait's primary automotive industrial hub. This location offers strategic advantages including proximity to automotive suppliers, accessibility for customers, and availability of skilled technicians.

The workshop will include several specialized functional areas such as disassembly zones, fabrication and welding stations, engine modification sections, assembly areas, and final detailing sections. Key equipment required includes hydraulic vehicle lifts, welding and fabrication tools, advanced engine diagnostic systems, and specialized tools designed specifically for classic vehicles.

The operational workflow will follow a structured process beginning with client consultation and project planning. Once the client's requirements are defined, the team will perform technical evaluations, source necessary components from international suppliers, and begin the modification process. Fabrication, installation, and integration of components will be followed by rigorous quality control inspections and performance testing. The final stage includes vehicle detailing and formal project handover to the client.

Quality assurance will remain a core operational priority. Each project will undergo multiple inspection stages to ensure compliance with safety standards, performance expectations, and customer specifications. This process helps maintain the reputation of Classic Paradise as a premium automotive modification specialist.

4.4 Management Team and Organizational Structure

During the initial stages of operation, Classic Paradise will operate under a lean management structure designed to maximize efficiency while maintaining high technical capability. The company will initially be managed directly by the founder, who will serve as the General Manager and oversee strategic planning, client relationships, and business development.

The operational team will include the following positions:

- General Manager (Owner)
- Workshop Manager / Chief Technician
- Senior Mechanics (2)

- Auto Electrician / EFI Specialist
- Fabricator / Welder
- Administrative Assistant / Parts Coordinator
- Helper / Detailer

This structure ensures all critical technical and administrative functions.

4.5 Financial Plan

The financial plan outlines the investment requirements, operational costs, revenue projections, and profitability estimates for Classic Paradise over a five-year period. These projections demonstrate the financial feasibility of the venture and identify the capital required to support business operations during the initial growth stage.

Key financial assumptions include revenue generation from multiple modification projects annually across three pricing tiers. Cost of Goods Sold (COGS) is estimated at approximately 60% of the sales price for each project to cover parts, materials, and direct labor. Operating expenses include facility rent, employee salaries, marketing costs, administrative expenses, and maintenance costs.

Working capital	Startup	Description
Number of months	12	Numer of months the working capital has been provisioned for
Estimated costs per month	*KWD 3,996*	Average monthly cost
Working capital provisioned	*KWD 47,950*	Total working capital provisioned for the duration of 12 months
Inventory and materials	KWD 15,000	Cost of inventory and materials
Total working capital and inventory provisions	**KWD 62,950**	

Capital Requirements	Startup	Weightage (%)	Description
Initial capital required	KWD 199,176		
Initial capital deposited	**KWD 199,176**		
Less startup expenses	KWD 15,115	8%	Percentage of total capital that accounts for the non recurring expenses
Less startup assets	KWD 121,111	61%	Percentage of total capital that accounts for the assets
Initial bank balance	KWD 62,950	32%	Percentage of total capital that accounts for the working capital provisioned

Figure 1: Operating Expenses

Below table further explains startup cost.

Table 3: Startup Cost

Category	Item	Amount (KWD)
Capital Expenditure (CapEx)	Construction	25,200
	Furniture + Fitout	2,160
	Computer Systems	275
	Office Supplies	35
	Mobile Devices	60
	Showroom Appliances	250
	Security Cameras	150
	Employee Attendance Machine	100
	ERP Hardware System	800
	Online Development (Website)	1,500
	Recruitment Commission	1,100
	Showroom Cars	90,000
	Printing Branding Stationary	50
	Inventory and Materials	15,000
	Other Capital Expenses	581
	Miscellaneous Capital Costs	440
Total Capital Expenditure (CapEx)		**136,111**
Operating Expenditure (OpEx)	Company Establishment	350
	Business Plan Development	2,500
	Branding and Logo Adaptation	350
	Employee Residencies	375
	Domain Purchase Setup	1,000

	Accounting/Bookkeeping Setup	350
	Marketing Entrance Expense	5,000
	Operations Manual	100
	Location Commission	1,750
	Rent (Annual)	21,000
	Employee Salaries	13,200
	Accounting/Bookkeeping Services	3,000
	Legal Consultancy Services	2,400
	Upay Payment	180
	Annual Maintenance Contract (AMC)	300
	POS Software Subscription	600
	Internet Services	310
	Utilities	600
	Social Media Management	6,000
	Other Operational Expenses	360
Total Operating Expenditure (OpEx)		**63,065**
Working Capital	Average Monthly Operating Cost	3,996
	Working Capital Provision (12 Months)	47,950
	Inventory and Materials	15,000
Total Working Capital Requirement		**62,950**
Total Initial Investment Required		**199,176**

The projected Profit & Loss Statement below outlines Classic Paradise's expected financial performance over the first five years.

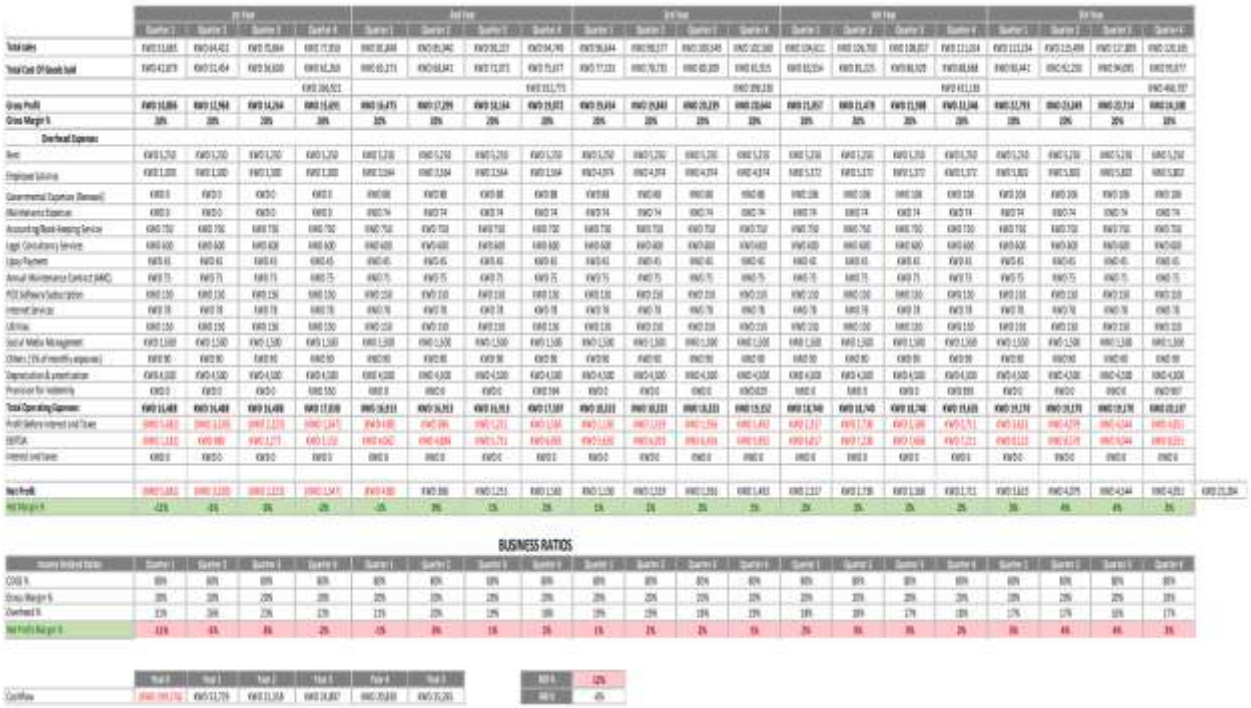

Figure 2: Projected Profit and Loss

Projected Cash Flow Statement

The projected cash flow statement evaluates the liquidity and financial sustainability of Classic Paradise over the first five years of operation. Cash inflows are primarily generated through completed classic car modification projects, while outflows consist of operational expenses such as rent, salaries, administrative services, utilities, and procurement of automotive components. During the initial operational period, the business is expected to experience limited liquidity growth due to startup costs and the relatively long time required to complete specialized vehicle modification projects.

In the early quarters, operational revenues remain lower than expenditures as the company invests in workshop setup, marketing activities, and initial project development. Consequently, the first year reflects modest or negative operating margins. However, as Classic Paradise completes more modification projects and gains recognition within Kuwait's classic car community, cash inflows gradually increase. By the end of the first year, the company is projected to maintain a stable cash balance of approximately **KWD 53,729**, reflecting improving operational performance.

During the second and third years, growth in project volume, stronger customer referrals, and improved operational efficiency are expected to significantly increase revenue streams. This results in steady liquidity improvement, with projected cash balances reaching approximately **KWD 75,087** by the third year. In the fourth and fifth years, continued demand for specialized modification services is expected to further strengthen the company's financial position, with the cash balance projected to reach approximately **KWD 165,069** by the end of the fifth year. These projections demonstrate that while the business requires initial financial support, it gradually transitions toward stable cash flow and long-term sustainability.

Break-Even Analysis

The break-even analysis identifies the point at which Classic Paradise's total revenues equal its total operational costs. Achieving break-even is essential for determining when the business will begin generating sustainable profits. The analysis considers the company's primary revenue streams from Standard, Medium, and Full Pro-Touring modification projects, along with fixed costs such as rent, salaries, and administrative expenses.

During the first year, the company operates below the break-even point due to high startup investments and a limited number of completed projects. As the number of modification projects increases and operational processes become more efficient, revenues gradually approach the level required to cover operating costs. Financial projections indicate that Classic Paradise is likely to reach operational break-even around the second year of operation, once consistent project completion rates are achieved.

Beyond the break-even point, additional projects contribute directly to profit generation, enabling the business to strengthen its financial position in subsequent years.

4.6 Risk Assessment and Mitigation Strategies

Several operational risks may affect the success of Classic Paradise. One significant risk involves delays or price fluctuations in sourcing specialized automotive components from international suppliers. This risk can be mitigated through establishing multiple supplier partnerships and maintaining inventory buffers for frequently used parts.

Another challenge is recruiting technicians capable of working with both classic vehicles and modern automotive technologies. Offering competitive compensation, training programs, and professional development opportunities can help attract and retain skilled workers.

Project duration also presents risks because complex modifications may require extended timelines. Implementing strong project management systems and maintaining transparent communication with customers will help manage expectations and reduce dissatisfaction. Additionally, regulatory changes concerning vehicle modifications and emissions standards must be continuously monitored to ensure compliance (Icartea, 2025; KUNA, 2025).

CONCLUSION

Classic Paradise targets a clearly defined niche within Kuwait's automotive market by addressing the growing demand for classic vehicles that combine vintage aesthetics with modern reliability, performance, and eco-conscious technologies. The research conducted throughout this study demonstrates that Kuwait has a strong automotive culture and a sizeable community of classic car enthusiasts who value uniqueness, personalization, and high-quality craftsmanship. These characteristics create a promising market opportunity for specialized modification services such as Electronic Fuel Injection (EFI) conversions, catalytic converter installations, and structural upgrades. The business concept aligns with broader global trends toward sustainable automotive innovation and restomod practices, where classic vehicle design is enhanced with modern engineering solutions (**Towards Automotive, 2025; Oliver, 2022**). As a result, Classic Paradise has the potential to position itself as a pioneering service provider within this emerging niche market.

However, the financial analysis highlights several challenges that must be carefully addressed for the business to achieve long-term sustainability. The projected financial statements indicate that profitability and positive cash flow may be difficult to achieve during the first few years of operation due to high startup investments, specialized labor requirements, and the relatively long duration of modification projects. To overcome these challenges, the business model will require strategic adjustments such as increasing the number of completed projects, improving revenue margins through higher-value service packages, and maintaining strict cost management. Securing sufficient initial capital and maintaining financial discipline during the early operational stages will therefore be critical. With effective

financial planning, strong supplier partnerships, and consistent demand from the enthusiast community, Classic Paradise can gradually establish a stable and profitable position within Kuwait's automotive modification industry.

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