

Discounts power car sales amid seasonal blues

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Car sales face pressure due to reduced footfall, triggered by the heatwave, and potentially lower consumer interest during the upcoming monsoon. In response, automobile companies and dealers have adopted aggressive strategies, such as keeping showrooms open late and offering massive discounts, primarily on entry-level vehicles.

According to a survey by the Federation of Automobile Dealers Associations (Fada), showroom footfall has decreased by at least 18 per cent due to the heatwave. Although the heatwave is subsiding in many parts of the country, companies like Maruti Suzuki India Ltd (MSIL) are extending showroom hours into the night.

As the monsoon season begins, carmakers and dealers are intensifying their efforts to attract buyers with various incentives,

IT'S RAINING OFFERS

M&M

XUV400
(Electric)

Up to ₹4 lakh

Maruti

Jimny (Alpha
variant)

Up to ₹2 lakh

Honda

Amaze, City,
Elevate, City e:HEV

Up to ₹75,000

Tata Motors

Tiago, Altroz, Nexon,
Punch, Harrier, Safari

Up to ₹50,000

MG Motor

MG Hector

Up to ₹40,000

Sources: Dealers,
industry



including discounts, exchange bonuses, and assured gifts.

This period, often marked by fewer auspicious days and unpredictable weather, typically sees

a decline in vehicle purchases, prompting companies to offer deals to boost sales.

As the monsoon approaches, car dealerships across India offer

discounts ranging from ₹20,000 to ₹4 lakh on various models. These discounts exceed those from the 2023 monsoon period due to rising inventory levels and reduced footfall caused by the heatwave.

Fada President Manish Raj Singhania says: "Discounts are higher this year than last year due to rising inventory levels. This means that not only will original equipment manufacturers (OEMs) be offering schemes, but dealers too will, to clear out stock. Last year, there were still shortages of vehicles and waiting periods, but now, most models and variants are readily available at dealerships. This translates into considerable discounts for consumers."

Discounts are currently available on vehicles like the Alto K10 (₹40,000), S-Presso and WagonR (₹25,000-30,000), and Swift (₹15,000-20,000).

"During the afternoon, no customers want to visit showrooms. To promote our sales, we are focusing on evening strategies with extended working hours and having dealerships open late at night," says Partho Banerjee, senior executive officer, marketing and sales, MSIL.

"With monsoon coming and a likely good kharif season, we will see green shoots soon."

Honda has introduced a monsoon campaign called Honda Magical Monsoon, offering benefits and assured gifts across its entire car range, including the

Amaze, City, Elevate, and City e:HEV. Customers who take delivery in July 2024 stand a chance to win a trip to Switzerland or prizes up to ₹75,000, along with surprise gifts for test drives. The campaign, which runs from July 1 to July 31, is concurrent with ongoing monthly offers.

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Discounts take the wheel in car sales drive

“The monsoon season brings a sense of freshness, and Honda’s special offers aim to amplify this experience for our customers. Whether you are upgrading your drive or buying your first car, a Honda is waiting for you with unbeatable value, and now is the perfect time to make that decision. This limited-time offer is available at all authorised Honda dealerships across the country,” says Kunal Behl, vice-president, marketing and sales, Honda Cars India.

Other vehicles receiving discounts from ₹15,000 to ₹65,000 include Tata’s Tiago, Altroz, Nexon, Punch, Harrier, and Safari,

and Hyundai’s Grand i10 Nios, Aura, Exter, and Alcazar.

Singhania explains, while specific discounts can be unpredictable, dealers and OEMs often provide additional incentives during lean periods to stimulate sales. “The monsoon season, with its few auspicious days and unpredictable weather, can impact transportation and vehicle purchases, leading to higher discount schemes in July compared to the first quarter of the financial year.” Singhania also highlights that most models are currently in stock at dealerships, with a few exceptions. Popular models like sport utility vehicles

(SUVs) enjoy smaller discounts due to consistent demand, whereas entry-level cars and hatchbacks receive higher discounts. He confirms that discounts will continue ahead of the festival season, detailing a calendar that includes the rainy season, Shraadh period, and Ganesh festival in August and September, with October being an important month featuring Navratri and Diwali.

Regarding inventory levels, Singhania mentions that as of May these were high at 55-60 days but are expected to decrease to around 30 days during the monsoon. He emphasises the importance of

aligning wholesale with retail levels to avoid excess inventory, which could harm dealership profitability, particularly during the slow month of July. For the Baleno, they offer a cash discount ranging from ₹35,000 for the petrol MT (manual transmission) to ₹40,000 for the petrol AGS (auto gear shift). The Jimny’s discount varies based on the variant and availability through Maruti Suzuki Smart Finance (MSSF), from ₹1 lakh for the Zeta without MSSF to ₹2.5 lakh for the Alpha with MSSF. The XL6 offers a cash discount of ₹20,000 for the petrol variant and ₹15,000 for the compressed natural gas (CNG) variant, along with an exchange bonus of ₹20,000 for petrol and ₹10,000 for CNG.