

FESTIVAL FILLIP

Car dealerships see 4-fold rise in footfall

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Automobile dealers are hoping that this festival season will usher in a turnaround in fortunes, following muted sales over the past two months.

Footfall at car showrooms has increased by almost fourfold in the first week of October, a festival month that typically begins with Dussehra and culminates in Diwali.

Dealer sources claimed that enquiries and bookings are up 3-4 times compared to the past 2-3 months.

If the initial signs are anything to go by, the festival season is off to a robust start. Dealers and original equipment manufacturers (OEMs) indicate this festival season could be better than the previous year.

It is a stellar feat considering that in 2023, passenger vehicle sales touched a record high of 547,246 units, up from 496,047 units in 2022 during the festival period.

C S Vigneshwar, president of the Federation of Automobile Dealers Associations (Fada), told *Business Standard* that in the first week of October, footfall at dealerships has swelled by almost four times.

"This year's PV sales have been hit by elections, followed by extreme heat in the summer months and floods in several parts of the country during monsoon. There is a certain amount of pent-up demand in the system, as customers have avoided visiting showrooms over the past few months," he said.

Vigneshwar, however, noted that 2023 was a great year as a demand build-up during the pandemic also saw production glitches due to supply chain issues. Once the deliveries of cars were normalised, the demand soared.



547,246
2023

GEARING UP

Sales during festival season (in units)

496,047
2022

Source: Fada

PC makers look to hitch a ride on the q-com bandwagon



Now that quick-commerce (q-com) has become a staple for grocery deliveries in many urban households, companies in the space are expanding their offerings to include more high-ticket, 'aspirational' products. Platforms like Blinkit, Zepto, and BigBasket are already seeing growing demand for smartphones, particularly the Apple iPhone, writes ARYAMAN GUPTA

Over 30-day stock with PV dealers

Auto OEMs are also upbeat about their prospects. "If we take the previous two months, and compare it with the previous year, there was a growth of 14 per cent in customer inquiries, bookings saw a 11 per cent surge, and in retail, till now, we have seen an increase of 5 per cent," Partho Bannerjee, senior executive officer, marketing and sales, Maruti Suzuki India (MSIL) said. He said MSIL has seen good traction during Ganesh Chaturthi and Janmashtami. "We have been able to do the numbers as per our business requirements," he said.

In 2023, Shradhh period was between September 29 and October 14, while in 2024, it was from September 17 to October 2. "If I compare the first 14 days of last year, vis-a-vis this year, during the first 14 days of the Shraddh period, there was 6 per cent growth in inquiries. And bookings, there is a growth of 5 per cent, and the retail part of it typically begins from the Navratri period," Bannerjee said.

At the moment, inventory levels with dealers is around 30 days. A Maruti Suzuki dealer in Mumbai said they had enough inventories to fulfill customer deliveries this festival season. Another dealer based in Delhi said inventories are slightly lower compared to last year. "We are not worried as demand is good, but it may be a little less compared to 2023," the dealer said.

PV wholesales dispatches in September have dipped marginally to be in the range of 355,000 to 360,000 units, compared to 364,198 units, during the previous year.

Companies said they are recalibrating their dispatches

(wholesales) keeping in mind the retail sales demand at the dealer end. Most auto OEMs have posted a growth in wholesales barring Maruti Suzuki, Tata Motors and Hyundai Motor India.

Maruti Suzuki PV domestic wholesales dropped 3.8 per cent to 144,962 units in September, while Tata Motors has posted an 8 per cent dip in PV wholesales to 41,063 units, and Hyundai Motor India's domestic wholesales fell by 5.7 percent compared to 54,241 units in September 2023. OEMs like Mahindra and Mahindra (M&M), Kia, Toyota performed well last month.

Hardeep Singh Brar, senior V-P and head of sales and marketing, Kia India, said they were happy to report a 17 per cent uptick in September sales. "This surge reflects the robust demand we have witnessed during the beginning of the festival season. Our booking pipeline remains exceptionally strong, the newly launched Kia Carnival Limousine has already captured significant consumer interest, securing 2,796 bookings," Brar said.

Carmakers typically corner around 30 per cent of annual sales during the festival season. Meanwhile, Tata Motors, Hyundai, and M&M dealers said OEMs are offering a slew of discounts to boost sales.

So far, the festival sales are slightly dampened compared to last year.

Dealers added that going by the past two to three months, when bookings were relatively low, they have not sought much inventory. As the demand sets in (and early signs are good), they will request for more inventories.

