

Mobility players drive 18% car sales in FY24

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There is a quiet shift in the country's domestic passenger car segment, with mobility players, including car aggregators like Ola and Uber, fleet service providers, and taxi owners, now accounting for 18 per cent of total sales in 2023-24 (FY24) in the 4.2 million-plus market.

Consultancy firm Deloitte estimates that, given the growing adoption of shared mobility services among consumers, this segment will account for 25 per cent of total sales by 2029-30 (FY30).

The segment does not include sales of vehicles by original equipment manufacturers (OEMs) to companies.

Says Rajeev Singh, partner and consumer industry leader at Deloitte Asia Pacific, "We have seen the change only in the past two years. Pre-pandemic, the share of cars sold to mobility players was 14-15

IN DRIVER'S SEAT

■ Mileage from shared mobility car usage is expected to increase by **14-16% over the next five years**, thereby boosting car sales

■ Shared mobility cab penetration is expected to reach **7.5% by CY 2024**

per cent. However, it fell dramatically to half of that during the pandemic and then turned around in 2022-23 when it crossed pre-pandemic levels. In FY24, it hit a high of 18 per cent. Based on future projections, we see that this segment will account for 25 per cent of total car sales by FY30."

Among car makers, Maruti Suzuki leads the segment, controlling 70 per cent of the share of sales to mobility players, followed by Tata Motors, which is estimated to account for 15 per cent,



according to Deloitte.

The same trend is seen in other markets with large populations. For example, in China, one-third of the cars sold currently are to mobility players. The increase in the share of this segment in total car sales in India is primarily because of the big growth in shared mobility, in terms of mileage.

Deloitte says that the segment will grow at 14-16 per cent year-on-year for the next five years. With more mileage and usage, more cars, both

new and pre-owned, will need to be added to the fleet.

According to Ambit, shared mobility (cabs) penetration, which was at 5.2 per cent in pre-pandemic calendar year (CY) 2019, fell dramatically during the pandemic to 1.7 per cent in CY 2021 but has started climbing from CY 2022 to 3.4 per cent. It is expected to hit a new high of 7.5 per cent in CY 2024.

The shift affects the tyre industry, which has focused on retail sales through its large dealer network.

Singh says that the mobility players, who sweat their assets to make profits, have to change their tyres within nine to 12 months, compared to four years for individual car owners.

"This means that for the tyre makers, both market segments are similar in size and therefore their requirements need to be looked at," says Singh.