

Auto dealers on expansion mode as demand spikes

CHANGING OUTLOOK. Many prefer outlet expansion instead of increasing dealerships

Aroosa Ahmed
Mumbai

As the demand for automobiles in the Indian market has spiked, the number of automobile dealers has gone back to the pre-pandemic levels.

Dealers had shut down as many as 286 showrooms between 2019 and 2020 across India after auto sales dipped due to the pandemic. According to the Federation of Automobile Dealers Association (FADA), dealers are now in an expansion mode in order to reach more customers.

LARGER BASE

"As dealers earn money they search for potential pockets in territories where they can expand with the focus being to reach a larger customer base and many dealers are in

expansion mode in rural parts in the country.

"Dealerships had an impact before Covid-19 when multinational companies had taken an exit from India," said Manish Raj Sing-

hania, President, FADA. Business outlook of the dealers have changed over the last five years with many preferring on expansion of their outlets inside the city and rural areas rather than in-



COVID-19 IMPACT. Dealers shut down 286 showrooms between 2019 and 2020 after sales dipped AFP

creasing the number of dealerships.

FESTIVAL DEMAND

The dealers that are selling limited available stocks continue to witness increased demand for four- and two-wheelers during the festival season.

"The demand for vehicles has increased and we are witnessing good sales during the festive season. The demand is back to how it was in 2019 before the pandemic," said Sanjay Jain, an automobile dealer.

One of the issues being faced by dealers is the delay in getting the vehicles registered in many cities.

"We urge the government to streamline across cities the regulations and introduce faceless registrations," said Sachin Mahajan, state chairman of FADA for Maharashtra.