

Nissan turns to Honda to steer India operations out of crisis

● Nissan faces decline in market share and fewer dealerships

SWARAJ BAGGONKAR
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NISSAN WILL BE betting high on the proposed merger with Honda to resuscitate India operations where it is hit by twin problems of market share slide and shrinking dealership size.

The Japanese company, set to mark two decades of presence in India in 2025, has reached an all-time low market share of 0.65% as of the end of November, according to data from the Society of Indian Automobile Manufacturers.

With SUVs Magnite and X-Trail, Nissan offers just two models in India, the smallest portfolio by any carmaker in the country.

In addition to its limited model offering, Nissan faces the challenge of inadequate retail presence in India. The brand currently has no dealerships in Mumbai, the second-largest car market in the country, with only one showroom each in Navi Mumbai and Thane.

SHIFTING INTO HIGHER GEAR

■ Nissan's India market share dropped to 0.65% by Nov 2024

■ The brand offers just two models: Magnite & X-Trail

■ No dealerships in Mumbai, only one in Navi Mumbai & Thane

■ Dealer issues include bankruptcy and legal disputes

■ Touchpoints have stayed at 273 since 2018



■ India's 4.21 mn vehicle sales are dominated by five players

■ Honda-Nissan merger targets rising competition from Chinese brands



While Ritu Automobiles, a prominent dealer of Nissan in Mumbai went bankrupt a few years ago, Nissan dragged Torrent Motors, another Mumbai dealer, to court over a breach of obligations.

In 2018, Nissan had a total of 272 touch points (sales showroom and service workshop) in the country. This number has remained nearly unchanged in 2024 as the total stands at 273. In 2017 it had announced plans of hitting 300 touch points by the end of that year.

A Nissan Motor India spokesperson did not reply to queries seeking reasons behind the under-penetration of the domestic market by the

company. In FY24, India recorded 4.21 million passenger vehicle sales (cars, SUVs, and vans) and is expected to finish FY25 with 4.3-4.4 million units, securing the third spot globally. Nearly 87% of this market is dominated by just five players: Maruti Suzuki, Hyundai, Tata Motors, Mahindra & Mahindra, and Kia.

The proposed partnership with Honda will not only help the two companies tackle growing competition from Chinese companies but will help address competitive markets like India, believe market experts.

"The partnership between Suzuki and Toyota has turned out a

blessing for Toyota whose 50% of the volume comes from Suzuki-made products in India. Since both are Japanese and have similarities in business culture, Honda and Nissan also have a better chance of success than the partnership between a French Renault and a Japanese Nissan," said a Bengaluru-based automotive consultant.

Renault and Nissan have a joint factory in Chennai which produces cars for both brands. Both companies have developed products that can be common to both but sold under different brands. The compact SUV Magnite, for instance, is essentially a Renault Kiger.