

India Pre Owned Premium Car Market Outlook to 2023

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The report titled “India Pre Owned Premium Car Market Outlook to 2023 – Growth Propelled by Traction from Digital Platforms, Surge in Certified Dealership, Decline in Average Car Price and Faster Launch of New Models” provides a comprehensive analysis of the Used Premium brands car market in India. The report also covers the overview of US, Japan and Europe Premium Brands used car market, Indian market size in terms of revenue and volume sales, segmentation on the basis of brand category and market structure, sourcing methods, regional analysis by each brand. Pricing analysis, dealership network analysis, used car sales by each dealership, trends and developments, issues and challenges, competitive scenario and company profiles. It also includes detailed Analysis of MB Certified, Audi Approved Plus, BMW Premium Selection, and Jaguar Approved-Dealer Network across various regions in India, Customer Profiling and Marketing and Re-marketing trends. The report concludes with snapshot on resale value analysis, Finance Support and market projection and analyst recommendations highlighting the major opportunities and cautions.

Market Size and Growth: India Premium used car market is on constant rise registering robust growth in the last few years. Prime reason for this double digit growth has been expansion of new car sales, launch of new models/variants/colors/ customizations, decline in average ticket size, introduction of new sales channels and others. Demand expanded primarily owing to rise in the number of HNI’s & per capita disposable income. Change in mindset of domestic population for favoring used cars over new cars also facilitated the shift. In 2017, sales volume and GTV generated from premium used car sales witnessed major decline in growth rate owing to the implication of GST and demonetization. All the cities witnessed cash crunch especially in cities such as Surat, NCR, Mumbai and Bangalore.

Market Segmentation by Market Structure: India’s organized premium pre owned car market is a micro segment that witnesses cut throat competition amongst OEM certified dealers and large semi-organized players. Prices of the cars sold through such dealers are higher owing to numerous value added services offered alongside. These include OEM warranty, road side assistance, certified refurbishment & others. Online websites contribute more than 80% in lead generation for the sales made by the organized sector. Average margins charged & average ticket size is usually higher.

Market Segmentation by Car Brand: Mercedes Benz is the biggest premium used car seller. It has highest

number of used car sales outlets. BMW has an average first ownership period of around 3-4 years and is popular in West, Central and South India. For Audi Q5, A7, A8, R8, RS7, RS5, A5 are most popular brand and has lowest ownership period for new cars. Significant decline was registered for new car sales which has negatively impacted the demand for used car sales. JLR is relatively new player in the Indian market but is fast gaining popularity.

Market Segmentation by Region: Northern India with Delhi NCR, Ludhiana, Chandigarh, Dehradun, Karnal, Indore, Lucknow and Mohali are the prime demand pockets. India had more than three hundred thousand HNWI's in 2018. Southern cities mainly Bangalore, Hyderabad and Chennai had the highest demand in the region. Bangalore has shown the highest growth potential. Other major cities include Kochi, Chennai, Coimbatore, Hyderabad, Vijayawada, Mangalore, Calicut, Trivandrum, and Madurai. High concentration of foreign returned executives are key target customers.

Market Segmentation by Sourcing Channel: Trade-ins is the major way of sourcing the premium pre-owned cars in India. It is more popular in organized method of sourcing an inventory as compared to unorganized sector. Top three major premium cars sold in India have nearly the same percentage range in Trade in mode for sourcing the inventory. Demo cars are mostly sourced in organized and semi organized sector. Buy and sell/Park sell is the most popular method of sourcing in unorganized sector but commands lower value for all major brands.

Marketing Strategy: Improved marketing initiatives such as increased presence and regular surveys to gauge consumer perception to plan their strategies have positively impacted the market. These are achieved by organizing events inviting current and prospective clients and collecting their feedback over the course of activities and engagements. As the luxury car market gets more lucrative, other foreign players are expected to enter the market. Existing companies needs to work on maintaining its reach so that the impact of market entry by other major known brands such as Mustang, Tesla, MG Hector, and Acura may not impact its market.

International Influence: Leasing is an emerging trend in Indian market just like in the US. A lot of traction can be given to promote the lease for new cars for commercial as well as personal use. This will boost the sale of both new and used cars in the long run. Majority of the premium used cars in India are of the European origin. They can form a group or lobby to push for the reduction in import duty of used cars in India. Traditionally the market for pre-owned luxury cars was in large metros, but owing to online classified platforms, the market has expanded. The supply comes heavily from metros while demand is spread across mini metros and metros.

Pricing and Demand Analysis: Average ticket size is usually higher in the organized market for all major brands owing to certifications offered, better after sales services, trusted financing options and guarantee offered. Usually, the difference is observed to be of INR 2 Lakhs for top 5 brands. The ratio declined as compared to 2016 owing to huge marketing discounts for both new and used cars, also termed as the "year of discounts". GST and demonetization however, negatively impacted the market creating severe cash crunch. GST raised compliance making the dealers obey with the Unification of taxation (GST). Availability of demo cars and lower turnaround time has also been responsible for the growth. Mercedes Benz & BMW are most popular brands and demand is very high in Mumbai, NCR, Bangalore, and Pune. Red & Black-MB, Blue & White-BMW are in highest demand.

Future Outlook: Future for premium used car in India looks compelling and replicating of consumer preference from the western economies is expected. Leasing of cars and lower ownership period are expected to have positive impact on demand as quality products will be available at affordable value. Audi's market share has declined considerably is expected to gain some market. New entrants in the electric car segments and implementation of Bharat-VI norms may cause many existing car owner to sell their cars causing decline in the average ticket size.

Key Segments Covered:-

India Premium Used Car Market Segmentation by Market Structure (Organized/Unorganized & C2C),

India Premium Used Car Market Segmentation by Car Made/Brand (BMW, Mercedes Benz, Audi, JLR and Other)

Premium Pre-Owned Car Dealers (MB Certified, Audi Approved plus, BMW Premium Selection and Jaguar Approved) in India

India Premium Used Car Market Segmentation by Sourcing Channel (Buy Sell, park Sell and Trade Ins)

Key Target Audience:-

Online Auto Listing Websites

Premium Car Companies

NBFCs, Insurance Companies and Banks

Used Car Dealers

New Market Entrants

Time Period Captured in the Report:-

Historical Period: 2013- 2018

Forecast Period: 2019 - 2023

Companies:-

BMW

Mercedes Benz

Audi

JLR

BBT

Cars 24

Cartrade

Key Topics Covered:-

Used Car Industry Movement

India Premium Used Car Market Size By Sales Volume and GTV, 2013-2023

International Market Study: Overview of United States, Japan & Europe Pre Owned Premium Car Market,

www.internationalnewsandviews.com

2013-2018

Detailed Analysis of MB Certified, Audi Approved Plus, BMW Premium Selection, Jaguar Approved-Dealer Network across various Regions in India

Customer Profiling-Know your Target Audience

Sourcing Network and Process Adopted by Premium Car Brands

Premium Car Exchange

Marketing and Re-marketing Trends in India Pre Owned Premium Car Market, 2018

Resale Value analysis

Finance Support

Snapshot on Cars24.com and Other Digital Used Car Aggregator (Business Model, Operating Model, Company Profile, Key Performance Indicator)

Company Profiles (Company Establishment, Journey, Offices, Showrooms, Management, Certifications & Others, Company Business/Operating Model, Sourcing of Inventory, Marketing & Business Strategies , Customer Acquisition Process, Financials & Others

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