

FOR IMMEDIATE RELEASE

FADA UNDERTAKES DEALER SUPPORT SATISFACTION STUDY DURING COVID-19 LOCKDOWN

New Delhi, September 24, 2020: The Federation of Automobile Dealers Associations (FADA), the apex national body of Automobile Retail in India today released Covid-19 Dealer Support Satisfaction Study in association with PremonAsia, a consumer-insight led consulting & advisory firm based out of Singapore.

Commenting on the release of the survey, FADA President, Mr. Vinkesh Gulati said, **“Even before Covid-19 pandemic hit us, the Indian Automobile Industry was grappling with a prolonged slowdown. In fact, we were already degrowing for 15 odd months. Against this backdrop, Covid-19 outbreak has been a significant blow to the Auto Industry and especially to Auto Dealers which had almost broken Auto Dealers back bone.**

Many OEMs came forward during these testing times and offered support to dealers with various means. FADA hence undertook this study and our findings showed varying degrees of difference. While some dealers were better off, some received almost nothing in such trying times. It hence became very essential for FADA to gauge how the principals treated their channel partners, their first customers.

46% Dealers had 2 biggest concerns viz., support towards future business evolution and support towards re-starting business post lockdown. Also, what came out commonly across all the verticals was that Dealers expect OEMs to Improve their Profitability!”

Post completion of the survey, PremonAsia Founder and CEO, Mr Rajeev Lochan said, **“The expectations of the dealers can be divided in two parts. Support during the crisis revolves around how OEMs have responded in managing aspects related to customer communication, dealer manpower engagement & training, and financial support (particularly in terms of negotiating better deals on working capital & term loans through banks). In regard to the future, there is a common concern that the customer engagement process will get far more digitized which, in turn, will impact dealer’s manpower efficiency, processes, and cost structure. Hence, OEMs who can proactively realign norms around these aspects are going to find greater traction among their dealer partners.”**

“All segments of the market have recorded a weak satisfaction score below 600 which is understandable given that no one can be prepared in advance for handling such a calamity. However, OEMs like Kia Motors & Toyota Kirloskar (for 4W mass market), Audi (4W luxury), Hero Motocorp (2W) and Mahindra (CV small & light) have met expectations of their dealers relatively better than others. A common thread lies in how these OEMs have managed hygiene issues of support on areas of customer communication and dealer manpower training, while pleasantly delighting their dealers through better term loans to tide over working capital needs.”

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About FADA India

Founded in 1964, Federation of Automobile Dealers Associations (FADA), is the apex national body of automobile retail industry in India engaged in the sale, service and spares of 2/3 Wheelers, Passenger Cars, UVs, Commercial Vehicles (including buses and trucks) and Tractors. FADA India represents over 15,000 automobile dealers having 26,500 dealerships including multiple Associations of Automobile Dealers at the Regional, State and City levels representing the entire Auto Retail Industry. Together we employ ~4 million people at dealerships and service centres.

FADA India, at the same time also actively networks with the industries and the authorities, both at the Central & State levels to provide its inputs and suggestions on the Auto Policy, Taxation, Vehicle Registration Procedure, Road Safety and Clean Environment, etc. to sustain the growth of the Automobile Retail Trade in India.

About PremonAsia

PremonAsia is a consumer-insight based consulting firm with offices in Singapore and India. PremonAsia commenced its business in 2009, offering its services to clients in South East Asia, India & Middle East. The core of PremonAsia lies in insight-based strategy consulting. Right from our inception, we have adopted an industry (sector) focused business consulting approach. This philosophy lends itself well to develop deeper knowledge-based engagement with our clients. Automotive industry and related sub-sectors are an area of strong focus. This is one of the rapidly evolving sectors in India and Asia. Our experience and expertise cuts across all sub-segments of this industry that includes two-wheelers/ three-wheelers/ cars/ SUVs/ commercial vehicles (trucks & buses)/ farm equipment machines/ construction equipment machines.