

FOR IMMEDIATE RELEASE



JSW MG Motor in 4W Mass Market, Honda Motorcycle & Scooter in 2-Wheeler & Ashok Leyland in Commercial Vehicles capture pole positions in DSS 2024

After Sales and Business Viability remains top-most issues raised by Dealers across all segments

New Delhi, Monday, 16th September 2024: Federation of Automobile Dealers Associations (FADA), the apex national body of Automobile Retail in India today announced the outcome of Dealer Satisfaction Study 2024 results which was undertaken in association with PremonAsia, a consumer-insight led consulting & advisory firm based out of Singapore.

Commenting on the release of the study, **FADA President, Mr. C S Vigneshwar** said, **“I extend my sincere gratitude to the over 1,500 Dealer Principals, representing nearly 4,500 outlets across India, who contributed to this year’s DSS study. Their invaluable feedback underscores the continued need for deeper collaboration between OEMs and Dealers to address key areas of concern. The 2024 findings highlight critical areas for improvement, particularly in the support for buy-back policies on unsold spare parts and the implementation of more dealer-friendly inventory management norms for new vehicles—both of which are essential to ensuring the financial stability of dealerships.**

Despite these challenges, Dealers have expressed strong satisfaction with the reliability and diversity of OEM products, which continue to serve as key strengths in the Dealer-OEM relationship.”

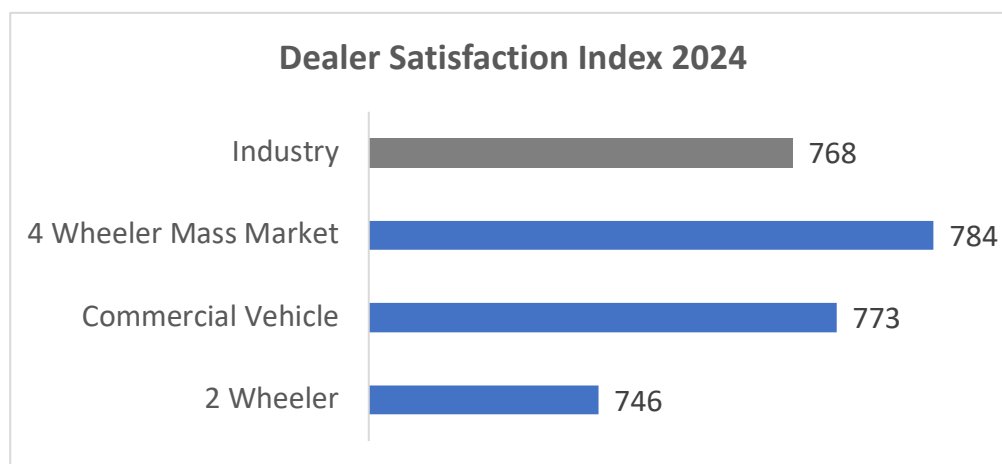
PremonAsia Director and COO, Mr. Rahul Sharma said, **“The Dealers continue to assign higher importance to After-sales and Business Viability related issues. While there have been improvements made by OEMs in all the areas, the expectations on ensuring Dealer viability, particularly related to OEMs buyback / deadstock inventory and understanding the dealer cost structure are still flagged as concern areas across the industry. Addressing these concerns through involving dealers in the policy making and hearing them will certainly go a long way in managing dealer expectations better.”**

Key Highlights:

- **4-Wheeler mass market: JSW MG Motor** emerges as the top performer with an industry-leading score of 866 points – the highest across segments.
- **2-Wheeler mass market: Honda Motorcycle & Scooter India (HMSI)** leads with 805 index points, maintaining its position as the only brand to have consistently held the number one spot since the survey's inception 4 years back.
- **Commercial Vehicles: Ashok Leyland** has surpassed its previous performance to achieve the top rank with 817 index points, while **Bharat Benz** makes its debut in the top three.
- **Most significant improvement: Tata Motors PV** has improved its last year performance by 98 points in this year’s study to end at number 4 in the 4-Wheeler Mass segment.

- In the 2-Wheeler Mass market segment, **TVS Motor** has secured the joint third position, improving its performance by 37 index points from last year.
- **Bharat Benz** has made its debut in the top three of the **CV segments**, achieving this milestone with a 94-point increase over its previous year's performance.

With an Industry Average Dealer Satisfaction score of 768, there has been a single-point increase from last year. 'Product' scores the highest across all categories, indicating that the industry consistently provides competitive, well-supported and innovative products that meet customer expectations. After-Sales related areas assume the highest importance amongst all factors, followed by Sales. However, despite being the most improved factor over the past two years, 'Business and Viability' remains the lowest-scoring factor.



While 4-wheeler mass market dealers are more satisfied compared to last year, Dealer satisfaction in the 2-wheeler and CV segments has declined.

Opportunities for enhancement

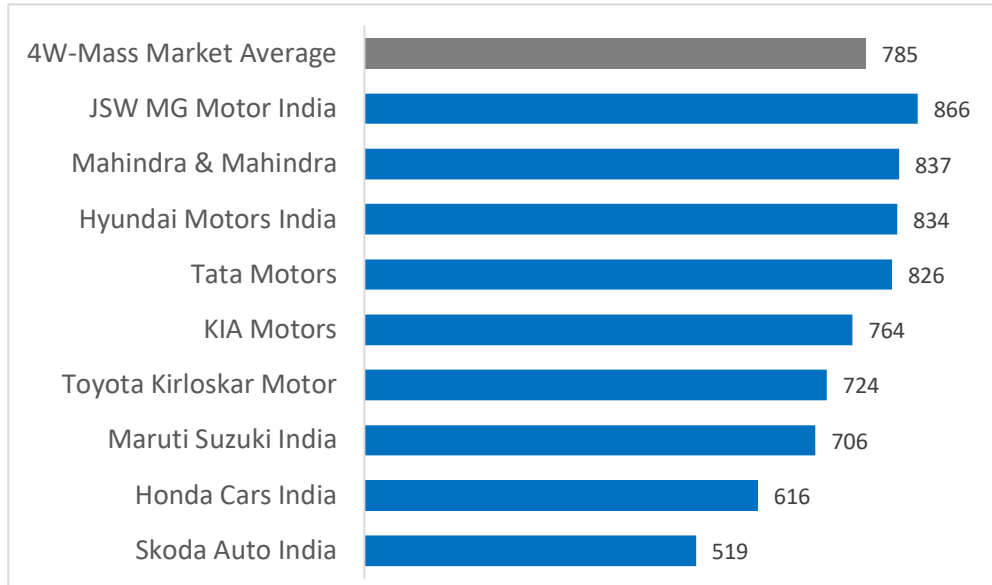
- Provide support in clearance of above 60 days ageing vehicle stock
- Provide support in clearing unsold vehicle stock at change of calendar year
- Increase in warranty labour rates for better gross margin in workshops

Segment specific observations

- In **4-Wheeler Mass Segment**, dealers expressed concerns about the buyback or write-off policy for unsold spare parts inventory and the need for support in covering the carrying costs of stocks in transit. They also highlighted the importance of ensuring dealership viability, overall profitability, and greater involvement in OEM policymaking. However, dealers expressed satisfaction with the OEM's extended warranty policy, as well as the reliability and range of products offered to customers.
- In **Commercial Vehicle Segment**, dealers emphasized concerns regarding vehicle sales margins, overall dealership profitability, ensuring long-term viability, and a stronger desire for involvement in OEM policymaking. Dealers were quite happy with the overall product range and quality of fully built vehicles, and expressed satisfaction with the responsiveness of the OEM sales team
- In **2-Wheeler Segment**, the biggest concern which the study highlighted was OEMs were not supportive on buy back of dead stock of parts and they were not open to dealer inputs in terms of policy making and multi-brand outlets point of view. On the positive side, the study found that

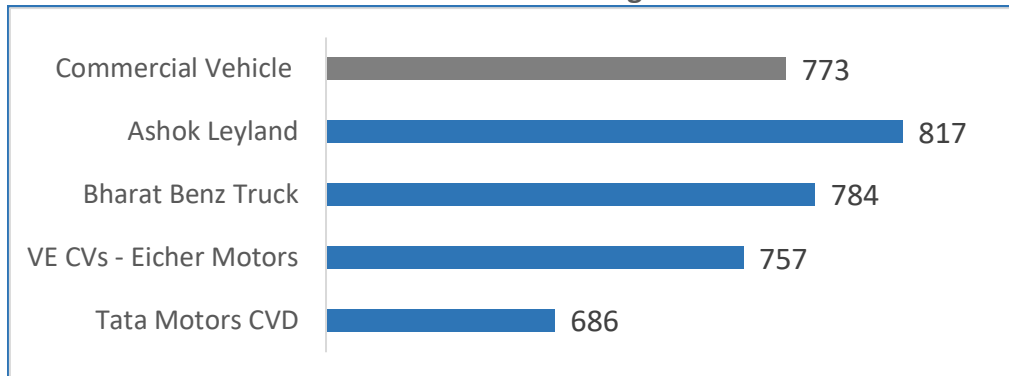
OEMs were fair in acceptance and rejection of warranty claims, product reliability & range as well as the training program for customer facing team.

4-Wheeler Mass Market Segment Rankings



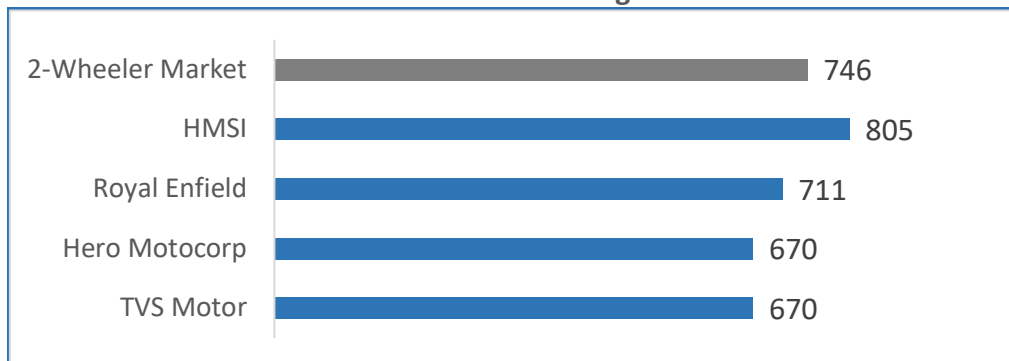
Source: FADA Dealer Satisfaction Study 2024 in association with PremonAsia

Commercial Vehicles Segment



Source: FADA Dealer Satisfaction Study 2024 in association with PremonAsia

2- Wheeler Market Segment



Source: FADA Dealer Satisfaction Study 2024 in association with PremonAsia

About Dealer Satisfaction Study 2024 (DSS'24)

The study was conducted using a self-administered web-based questionnaire, wherein, the link for the survey were sent to FADA Members and Non-member Dealers across all OEMs. The questionnaire was created in consultation with Dealers / FADA Members who gave their input for each segment of the Automotive Industry. The dealers were then invited to access the survey and fill in their responses. The study link was open between July and August and more than 1500 Dealer principals responded, representing ~2800 outlets in the country. The data was cleaned, and 1377 valid responses were analyzed after checking for validity and completeness. The study was well represented from all regions of the country, ensuring a fairly well spread geographic coverage.

Regression techniques were used to ascertain the importance of attributes and factors. Using a combination of derived importance and satisfaction ratings provided by the participating dealers, the data was indexed to 1000 points - Higher the Index, greater the Satisfaction.

Note:

1. Rankings are based on an index score derived statistically using the ratings provided by responding Dealers
2. There are a few more OEMs covered in the study who haven't been shown in the above chart due to insufficient sample
3. 4-Wheeler Luxury & 3-Wheeler industry segment were not analysed this year owing to insufficient sample.

---End of Press Release---

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 Dealerships having over 30,000 dealership outlets including multiple Associations of Automobile Dealers at the Regional, State and City levels representing the entire Auto Retail Industry. Together we employ ~5 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 Southeast 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 subsegments of this industry that includes two-wheelers/ three-wheelers/ cars/ SUVs/ commercial vehicles (trucks & buses)/ farm equipment machines/ construction equipment machines.