

# Market Perception and Future Perspectives With/ Post Covid-19



June, 2020

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Know today, Power tomorrow

# Perspective of Car Market Post Lockdown

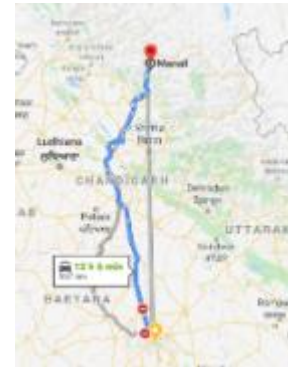


**Car is the most admired partner for daily transport as well as occasional long distance leisure trips.**

### Daily / Regular Usage of Car



### Leisure/ Trips with Car



Delhi – Manali 537 KM



Bangalore – Mangalore 350 KM



Mumbai – Shirdi 250 KM



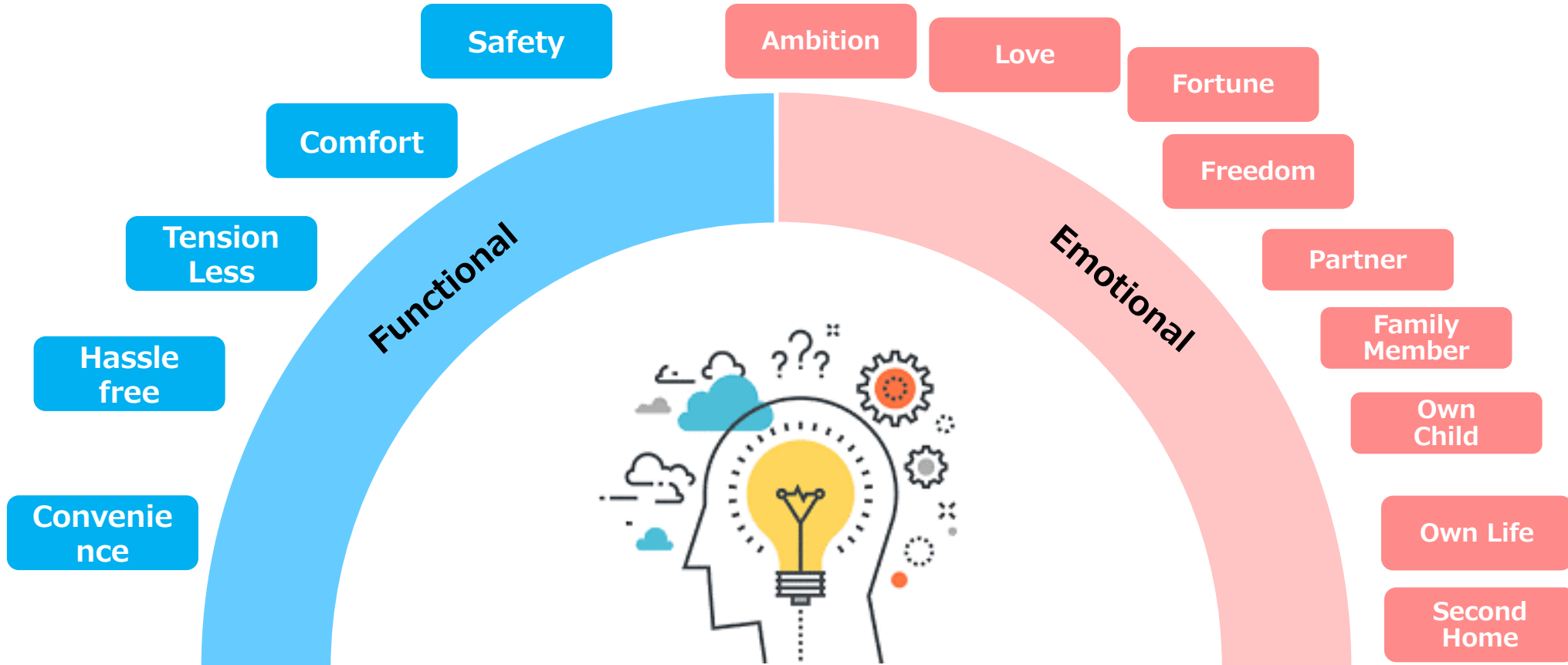
Kolkata – Mandarmani Beach 174 KM



Chennai – Coimbatore 500 KM

Over and above the daily work related city commute, attending parties, family get together or going for shopping are the key usage of the car; car has been constant companion on road trips to hills, beaches, native places, religious destinations with family and friends






Car owners can't imagine life without car. Suffices emotional as well as functional benefits being associated with own car.



Having a car allows a person to move freely – a true sense of more convenience, comfort, safety and it builds an emotional attachment.

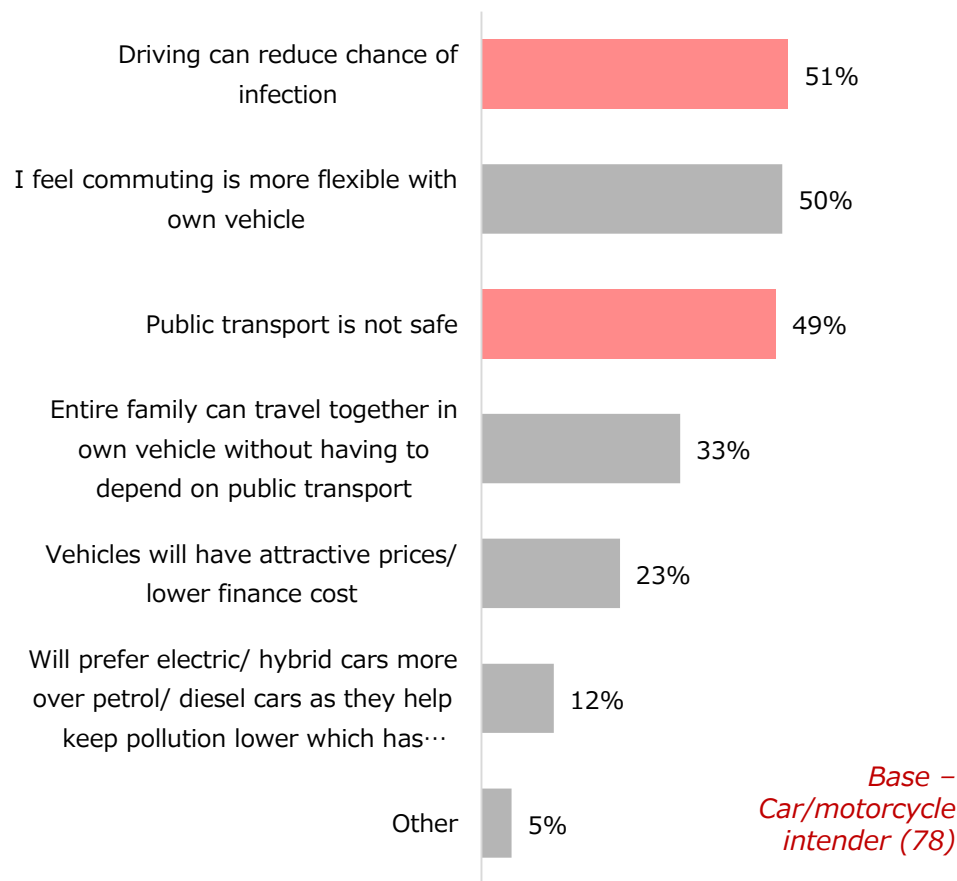
**Post lockdown, consumers are likely to avoid public transport to reduce the risk of infection, hence travelling in own vehicle will increase.**

**Mode of transportation before/after the lockdown**

|                        | Before lockdown   | After lockdown |
|------------------------|---|----------------|
| <b>Own Car</b>         | 29%    | 30%            |
| <b>Metro/ Train</b>    | 41%    | 27%            |
| <b>Taxi/ Ola/ Uber</b> | 32%    | 21%            |
| <b>Bus</b>             | 26%   | 17%            |
| <b>Auto/ Rickshaw</b>  | 23%  | 17%            |

Base – All (546)

**Reason for buying motorcycle/ car**

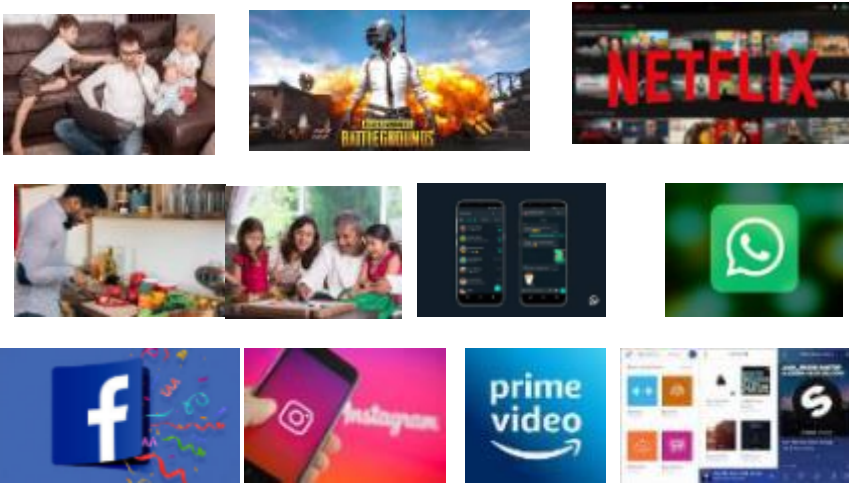


Q. Which of the following product(s) you are planning to purchase once the lockdown period is over? (Multiple Answer Question)

Q. Why are you planning to purchase your own Car/ Motorcycle/ Scooter/ Moped?

**Car owners adjust new normal life without going out by car during the Covid-19 lockdown period. Frequency of driving car will be decreased.**

### Activities Engaged at Home During Lockdown Period



### Changes in Car usage frequency Before/After the lockdown

|                       | Before lockdown      |   | After lockdown |
|-----------------------|----------------------|---|----------------|
| Daily / Regular Usage | Every day            | ↘ | Not daily      |
| Leisure/ Trips        | Several times a year | ↘ | Very few       |

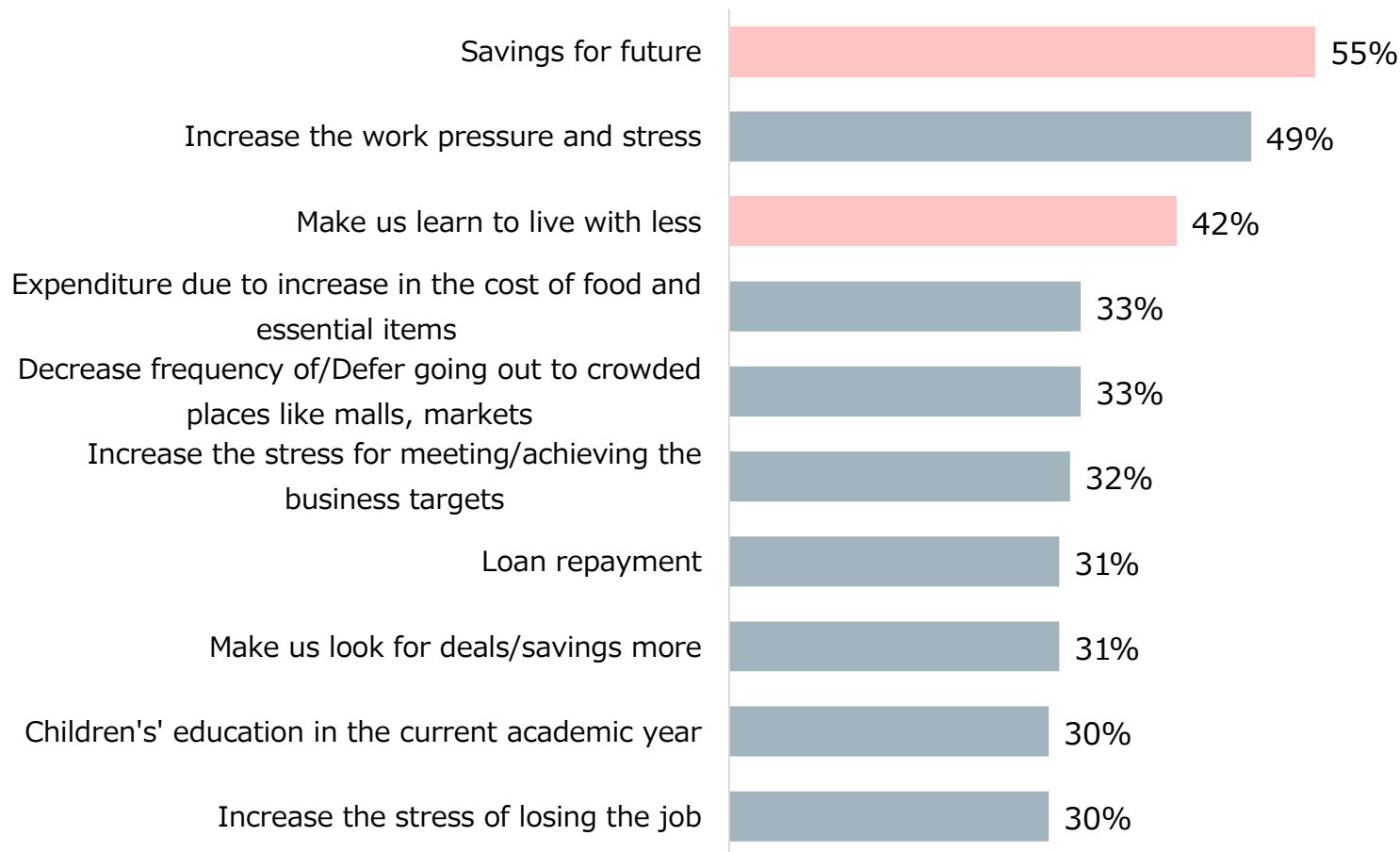
*“Will not drive so much after lockdown. Don't to travel everyday for going to office because of work from home. Not friends meet, not going to cinema halls, not going to any restaurant for a while.”*

### Car owners fit their lifestyle into new normal life without car;

- Communicating via online tools with family/ friends
- Enjoy entertainment at home
- Enjoy cooking instead of going to restaurant

# Consumers try to save money and live with less because of economic downturn.

## Activities impacted/affected for lifestyle



Base - All (546)

Q. Which of the following activities will impact/affect you after the lockdown period is over. Please select all the options that are applicable.

**While the dependency of own car will increase to avoid the risk of infection, future purchase got prolonged due to reduction in usage and financial situation.**

### **Needs of new car purchase**

Increased dependency on own car as compared to shared cab services (e.g. Ola, Uber etc.) or other public transport post Covid-19

*"I need an additional car for my wife. Post lockdown, she need a car while I go to office. The new car can also be used for other household activities as well..."*



### **Restraints for new car purchase**

Reduction in usage of car owing to "Work From Home", restrictions on socializing during and post lockdown

Peoples changing mind set towards more savings

*"the main factor (not purchasing new car) is for saving money during this time..."*

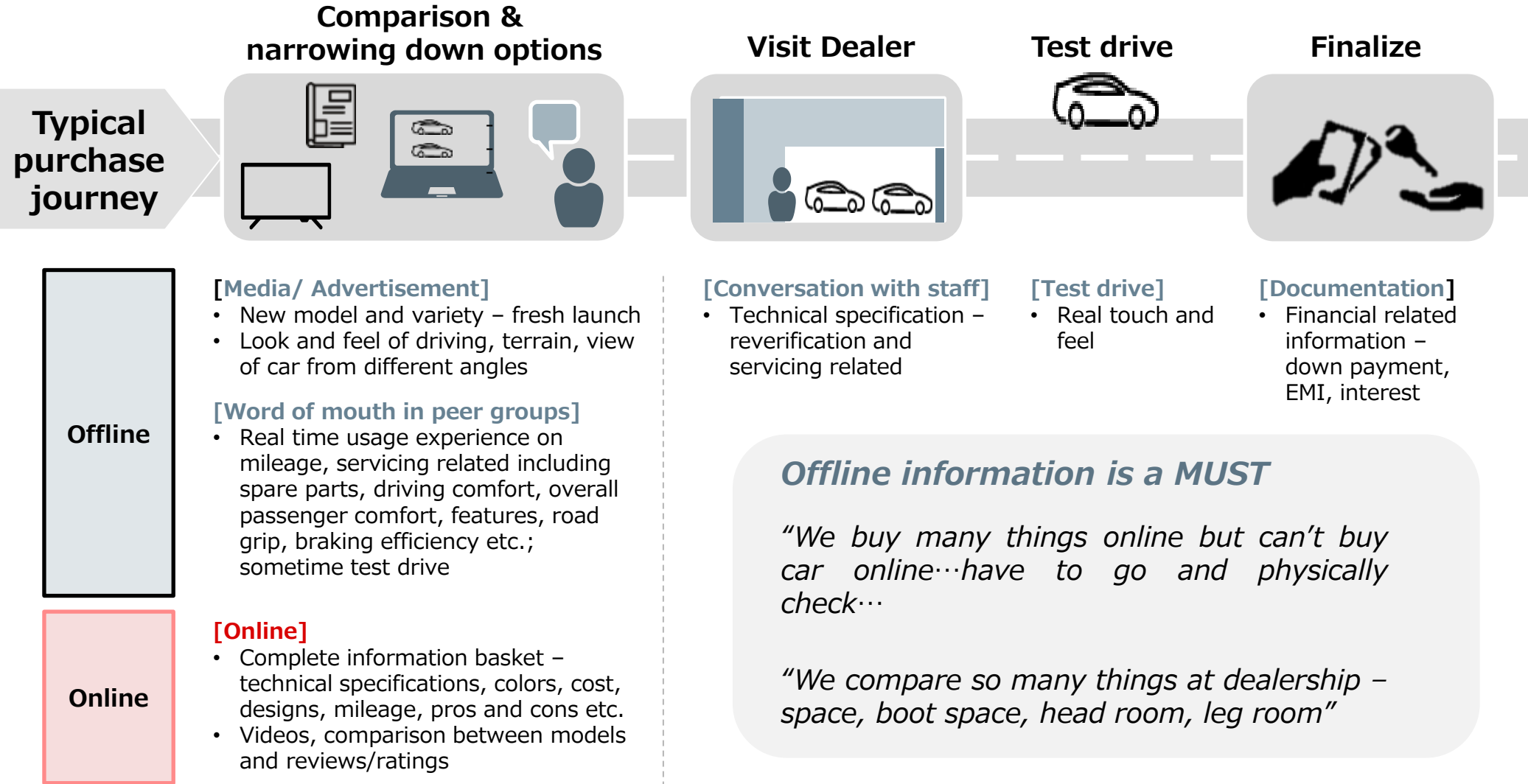
**Future purchase tend to get prolonged due to Covid-19**



# How “Digital” Incorporated into Purchase Journey



Online information are more reliable and help in narrowing down the options, however, typical consumers always consult with peer groups and visit showroom before final decision of purchase.



# Online Journey 1– Different consumers follow different steps



Consumer 1

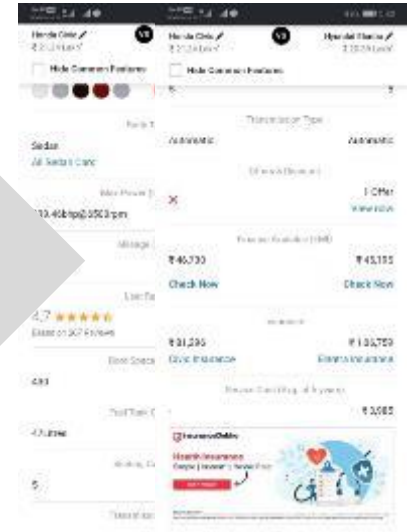
Search Model on Google



Compare



Check details

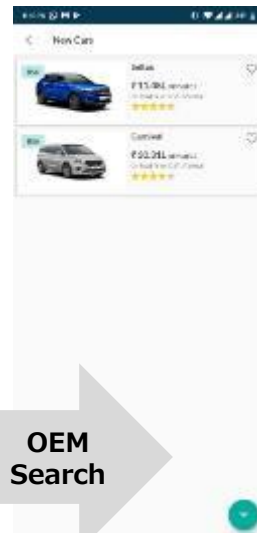


Consumer 2

Open online Car compare website



OEM Search



Model Search



Variant Search



Mileage Search



# Online Journey 2– Different consumers follow different steps



Consumer 3

Google Model



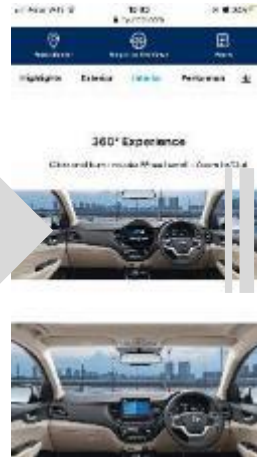
Check Videos



Model on OEM Website



360° Experience



Colour Search



Request Test Drive



It is difficult for car owners to adopt online sales because they put importance on a personal touch at the showroom. However, online service will improve customer experience.



Online already plays an important roles

Potential areas that online will improve customer experience post lockdown

**[Booking dealer/test drive]**  
 Waiting long time at dealership leads dissatisfaction of customer. Online booking provide hassle free and reduce risk of infection at dealer.

**[Online finance]**  
 Customers expect online financing will make them easy to compare the all options and to receive transparent quotation.

Customers are still willing to have personal touch with vehicle and dealer



*"There are a lot many things which you need to look at before buying a car and more importantly develop a good relationship with the dealer... "*

*"It's all about experience for the entire family from time of planning to booking to getting the delivery."*

**Customer are willing to move over to online aftersales because they expect the convenience of online/ contactless service.**



## Perception about Online After Sales



### Positive

**Online will make them free from troublesome with services**

Benefits are...

- Convenient – Easy at door step
- Saves time
- Hassle free and tension free
- Ensure cost at company norm
- Safe because of contactless

*"Toyota has an app on which you can book service and request them to pick up and deliver the car...I have been using this service and they are always on time..."*



Out of 10 respondents

### Negative

**Suspicious towards service is the bottle neck to adopt online**

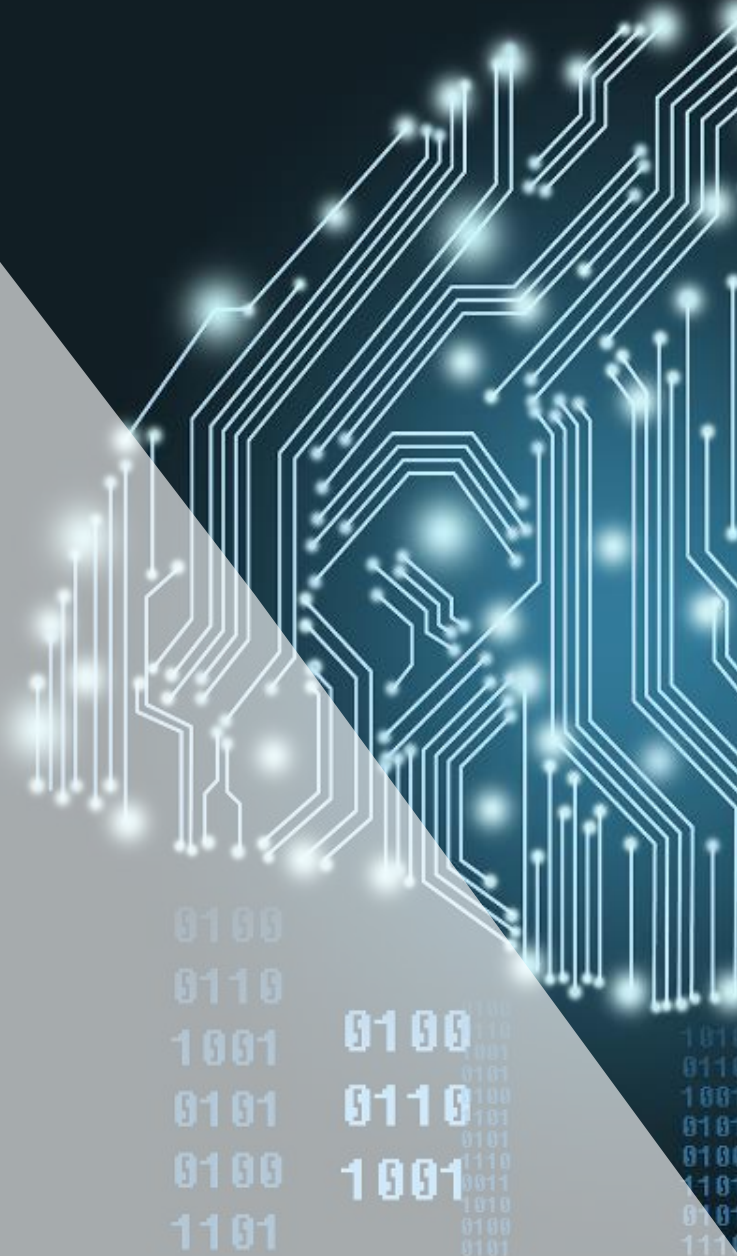
Concerns are...

- Chances of cheating about what done and what claimed
- Should be done in front of eyes
- No damage be made to car
- Doubt about parts replaced

*"Service centre need to be transparent with things which they have repaired or replaced...we should be able to track our vehicle at the service centre"*

**To enhance contactless service, communication to reduce concern on the service quality is necessary.**

# Technology and Features



# Safety features are perceived as a next level basic necessity

## Top Preference



**Air bags in all seats**

## Second Preference



**Biometric Recognition**



**Fatigue Sensor**



**In-built Camera**



**Cruise Control**



**Blind Spot Detector**



**Parachute Mode**



**High Beam Protector**

*"In rainy season, it is difficult to drive because the side mirror does not give clarity in viewing. If we have a feature like a side camera outside and on the inside screen, we can easily observe the view and drive more safely..."*

*"Biometric features are very useful nowadays as they can protect the car from theft. This also gives confidence that the car is safe and can be parked anywhere even during night time..."*

*"Driving at night time is difficult, especially on highways, as the headlights of cars on the opposite side fall on the eyes and it causes temporary blindness for a few seconds. The front glass of the car can be equipped with a high beam protector for better safety..."*



# Post Covid-19, health concerns will evoke the desire for new car features

## Features' Requirement driven by Covid-19



*“Similar to airbags, OEMs should focus on suitable safety hygiene features in post Covid scenario...”*

## Features' Requirement for the future



Remote Operation



Thick Foam at Roof



Automated Car Cover



Puncher less Tyre



Powerful LED Lamp



Apple Car Play



More Boot Space



GPS Enabled Car

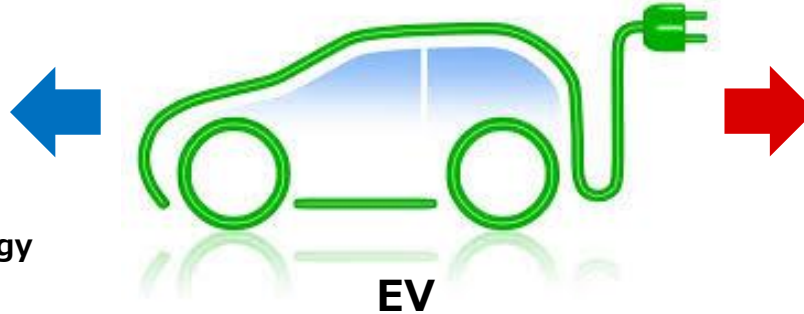


Camera for Visibility

# Traditional mind-set about Electric Vehicles has changed over time. If infrastructure is provided the way, India will become a green country.

## Drivers

- Govt. Policy and Push for Adoption
- Sustainability
- Ecological – Pollution Free City
- Willingness to Adopt New Technology
- Battery – the Future in Industry
- Much Lower Running Cost
- Feature driven Safe Future



Positive outlook towards other alternatives sources including usage of other renewable energy sources in automobile industry

## Barriers

- Insufficient Infrastructure
- No/Limited Charging Stations
- No Charging Option at Home as Staying in Condominium
- Lack of Service Centers
- Low Range – Limited Mobility
- Slow in Adoption Trends
- Heavy Battery – Dangerous

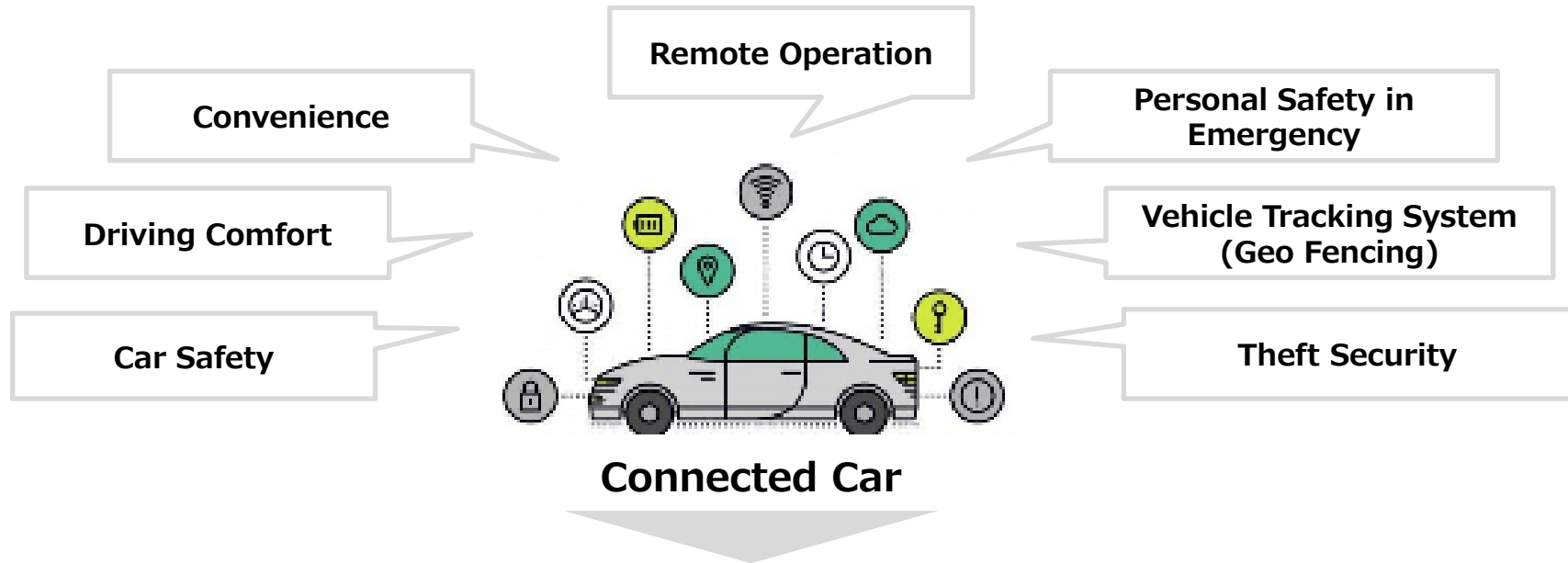


सत्यमेव जयते



*Increase  
Intention of  
EV*

**Connected features are new age technology and mostly welcomed as it is related to convenience as well as safety.**



**Detailed understanding about the feature is yet to be built. However, overall technology behind the Connected feature itself is an 'EXCITEMENT'.**

*"Yes, I have heard about the connected car. It's a very interesting feature and you will be always connected to your car. It will save life in case of emergency and make driving very comfortable..."*

*"Connected feature will help to track your car all the time. It also helps to protect your car while parking in remote locations and also, it helps to prevent the car from being theft..."*

**Car Leasing is perceived as a good alternative for commercial segment, but not for personal need as the charm of owning your own car will be missing.**

### Perception about leasing of car



#### Convenience & hassle free

- Can change the car whenever wish
- Safety and hygiene factors
- Maintenance free
- Recent trend in market
- Economical
- Tension free

*"Safety & hygienic purpose record maintained consider leasing cars. This best offer for economic and no maintenance..."*



#### No charm of ownership

- Can't select accessories basis own wish
- No modifications can be done on the car
- Not sure about safety features present in the car
- Commercial rental purpose

*"If I go for lease car, then at the end, I have nothing. On the other hand if I purchase new car on instalment, then after 2 -3 years I have my own car and my own assets. Feeling of owning a car is something different than renting/leasing a car..."*

#### Barrier to expand leasing service

Awareness of renting /leasing a car like the facilities provided by 'Zoom car' is there.

However, detailed understanding is lacking about the conditions and benefits attached to it.

# Perception towards Country of Origin



# Indian cars adding safety as one more dimension. Japanese cars continue to be considered as superior in technology and hence reliable.



SAFETY



Reliability for domestic majors comes from brand familiarity; while in Japanese cars reliability is on account of superior technology which gets further coupled with engine quality leading to low maintenance as also build quality

# Mixed reaction towards Chinese brands. They offer technology and innovations, however Covid-19 evoke negative sentiments.



## Increase negativity towards Chinese origin products due to Covid-19

*"I would never buy Chinese cars. Chinese cars I won't prefer, not only for Covid -19 situation but even before or after Covid also..."*

*"They will definitely get huge impact due to Covid-19. People won't buy & support any Chinese products anymore..."*

# Summary





# Market Perception and Future Perspectives post Covid-19



## Purchasing new car tend to get prolonged

While the dependency of own car will increase to avoid the risk of infection, future purchase got prolonged due to reduction in usage and current financial situation. Financial scheme to boost their intention is a key factor for the market.



## “Digital” improve customer experience

Online information are more reliable and help in narrowing down the options, however, typical Indian consumers always consult with peer groups and visit showroom before final decision of purchase. While it is difficult for consumer to adopt online shopping in a short-run, digitalization will provide the solution at dealership or service, hence will improve customer experience.



## Driving safety + Hygienic

Safety features are perceived as a next level basic necessity which includes air back and advanced security features. Due to Covid-19, the health concern will evoke the desire for new car features post lockdown.



**Car Air Purifier**



**Health Monitor System**



# Appendix

# Outline: Quantitative research

|                             |   |
|-----------------------------|---|
| <b>Methodology</b>          | <ul style="list-style-type: none"><li>• Online survey through a structured questionnaire</li><li>• Online questionnaire link was developed by INTAGE India and shared with consumers across India using internal database/connections</li></ul>                             |
| <b>Target</b>               | <ul style="list-style-type: none"><li>• No respondent criteria</li></ul>  |
| <b>Area</b>                 | <ul style="list-style-type: none"><li>• India (Nationwide)</li></ul>  |
| <b>Key Information Area</b> | <ul style="list-style-type: none"><li>• Overall reaction on the current situation</li><li>• How to spend time during the lockdown</li><li>• Changes in shopping behavior during the lockdown</li><li>• Changes in life in the future after the lockdown is lifted</li></ul> |
| <b>Interview Length</b>     | <ul style="list-style-type: none"><li>• Approx. 20 minutes (Approx. 40 questions)</li></ul>   |
| <b>Timing</b>               | <ul style="list-style-type: none"><li>• 16th April - 24th April, 2020</li></ul>   |
| <b>Number of sample</b>     | <ul style="list-style-type: none"><li>• N= 546 [*No specific quota assigned]</li></ul>  |



# Outline: Qualitative forum

|                             |   |
|-----------------------------|---|
| <b>Methodology</b>          | <ul style="list-style-type: none"><li>• Qualitative WhatsApp forum</li><li>• Respondents are recruited across metros (Delhi, Mumbai, Bangalore, Chennai, and Kolkata) using internal database/connections</li></ul>                                     |
| <b>Target</b>               | <ul style="list-style-type: none"><li>• Male aged 30 to 40 years-old</li><li>• Owner of B-High Hatch or Sub 4m Sedan</li></ul>  |
| <b>Area</b>                 | <ul style="list-style-type: none"><li>• Delhi, Mumbai, Bangalore, Chennai, and Kolkata</li></ul>  |
| <b>Key Information Area</b> | <ul style="list-style-type: none"><li>• Covid-19 affect on their mobility life</li><li>• Economic slowdown affect their future purchase decision</li><li>• Perception to contactless point of sales/ service</li><li>• Expectation of feature</li></ul> |
| <b>Interview Length</b>     | <ul style="list-style-type: none"><li>• 8 days (3-4 questions per a day)</li></ul>  |
| <b>Timing</b>               | <ul style="list-style-type: none"><li>• 11th May - 20th May, 2020</li></ul>   |
| <b>Number of sample</b>     | <ul style="list-style-type: none"><li>• 10 respondents (5 B-High Hatch / 5 Sub 4m Sedan)</li></ul>  |





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