

## CEO INSIGHTS

# Technological Trends in Indian Pre-owned Automobile Industry

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**T**he age-old pre-owned automobile industry in India was highly dominated by conservative and unreliable trade practices even in few years back. People used to acquire and dispose used vehicles through local dealers/brokers and personal sources.

The industry seems to have come a long way ahead now to a much more structured scenario with numerous renowned organized players regulating the market. The used vehicles market has almost come at par with the new vehicles one and even in the case of passenger vehicles, it is bigger than the new one (new vs old passenger vehicle = 1:1.2). This emergence of multiple organized players in the market and the advent of various advanced technological mechanisms have helped technology to play a pivotal role in the pre-owned automobile industry. Several technological developments during the last couple of years in the industry have substantially influenced the buying and selling patterns of old vehicles in India and have visibly made major alterations in the customer

buying behavior today. Let us discuss about some of the vital influential trends in details.

**1 Digital Marketing** - While it will still take time for the entire country (particularly rural India) to become completely digital but over 277 million Indians are already online. And since, 45 percent pre-owned cars are sold in metro cities in India, it is imperative for every company in the industry to efficiently employ the advanced digital marketing tools and techniques. The face of every marketing campaign has changed significantly with digital engagement being the quintessential element today. Also, the cut throat competition calls for adequate interaction with the customers so as to keep them constantly engaged with the brand.



Pre-owned automobile industry is also experiencing change in the marketing patterns as a major chunk of the customer base is now online and has easy access to all information and deal options at just a click. In the era of instant notifications, a brand ought to bank upon these time-sensitive opportunities faster than the other players in the race.

**2 Online Classifieds** - The most difficult thing, especially in an unorganized industry like the pre-owned automobile, is to get the right vehicle at the right time for a buyer or to get the right customer at the right time for a seller. To provide the optimal solution to this specific problem, many organized players have come up with online classified platforms to list used vehicles. Studies suggest that over

60 percent people do their research over internet before purchasing a vehicle. To provide better knowledge about a vehicle, many organizations have also developed a pre-owned vehicle evaluation module over their classified website. It is also popular among customers for the ease it provides, not having to incur the hassle of going anywhere but having the information right in front of them.

**4 Emergence of Omni-Channel** - Pre-owned automobile industry was used to functioning through negotiated sales in both organized and unorganized market. However, technological development has given new dimensions to buying and selling a used vehicle through easy and convenient alternative platforms such as online bidding, desktop live bidding, SMS bidding & physical bidding. Most importantly, the emergence of this omni-channel allows one to make transactions in an absolutely transparent and professionally organized manner.

**5 Better Service through CRM** - Irrespective of the industry, satisfied loyal customers are the most important factor behind the success of any business. However, it's particularly difficult to understand customers in pre-owned automobile industry as it has started to evolve in an organized manner during last couple of years. Thus, it is essential to be sensitive towards customer requirements, pain points, expectations and

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preferences to make them feel valued and develop a long lasting relationship with them. Customer Relationship Management (CRM) has become the need of hour to study and analyze the customer preferences and requirements in a scientific manner.

**5 Data Mining** - In the current scenario, customer preferences are changing frequently. For an instance, car buyers have started to prefer utility vehicles over compact or hatchback. And a company is actually a winner when it is able to provide an adept solution to the customers before they even expect it. In depth data mining and analysis over customers' buying preferences and their possible reactions can indicate things well in advance. Thus, it is highly beneficial for an enterprise in making strategic decisions about future business activities in a timely and structured manner.

It seems that the coming era is to witness further technological advancements in pre-owned automobile industry. **CR**

