



IndianBlueBook

India's most trusted vehicle pricing guide

USED CAR INDUSTRY REPORT

FY2021-22

Presented by



Das WeltAuto.
Certified Pre-Owned

car&bike



5TH EDITION



FOREWORD

“The used car industry is going through a purple patch, with strong demand expected to continue for the foreseeable future.” To capitalise on this massive opportunity, organised players must drive trust, competitive pricing, customer experience, and varied inventory offerings.”

I am delighted to present the 5th edition of the IndianBlueBook(IBB) used car report for the fiscal year 2021-2022. The IBB Report has established itself as the most comprehensive report on the used car industry over the years, and it is widely used by analysts, practitioners, media, and researchers in India and around the world.

This edition of the IBB Report is special. With the changed business landscape following the pandemic, there is a clear preference for used cars among consumers across the country. Used cars, which were once considered a compromise, are now making their way into the consideration set of consumers when they think about purchasing a car. This is a watershed moment, highlighting the fundamental shift that has occurred over the last few years.

The used car market is predominantly “Unorganized” is a standard line used to describe this industry. The unmistakable trend since the pandemic has been that the pace of industry organization has gathered significant momentum. Players with various business models, addressing various customer pain points, and approaching the sector from many perspectives have converted the industry into one of India’s most promising consumer tech markets.

Increasing digitization of the consumer journey has been a critical factor in gaining consumer trust. Having said that, it is now evident that the consumer journey is and will remain both online and offline. While most of the exploration and consideration phases have shifted online, majority of the purchases continue to take place in dealerships and other physical touchpoints.

Similar to the previous year, 4.4 Mn used cars were sold in India during FY2021-2022. This achievement was especially commendable considering the disruptions and challenging market situation. We believe that growth would continue to accelerate, with the market reaching 8 Mn by FY2026-2027.

The report is divided into 4 sections. Part A discusses the major highlights of Global and Indian used car markets. **Parts B and C** give an in-depth analysis of the demographics, drivers, behaviours, and evolving preferences of Indian used car buyers and sellers. The research also highlights emerging business models, the power of artificial intelligence/machine learning, in uncovering insights, the significance of support provided by industries such as NBFCs/Banks/ Insurance companies, and so on.

For the first time, the IBB Report includes a special section (**Part D**) with contributions from global experts on various topics, from platforms to data analytics to innovative business models.

In preparing this report, we have tried to do as meticulous a research as possible to provide you with validated, trustworthy, and insightful ideas and information. This has been enriched with the participation of car&bike and Das WeltAuto (a division of Volkswagen passenger cars India), for which I am grateful.

I hope that this research serves as a beginning for further deliberations and sets the tone for future discussions on the Indian used car industry.

ASHUTOSH PANDEY

MD and CEO, Mahindra First Choice Wheels

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EXECUTIVE SUMMARY

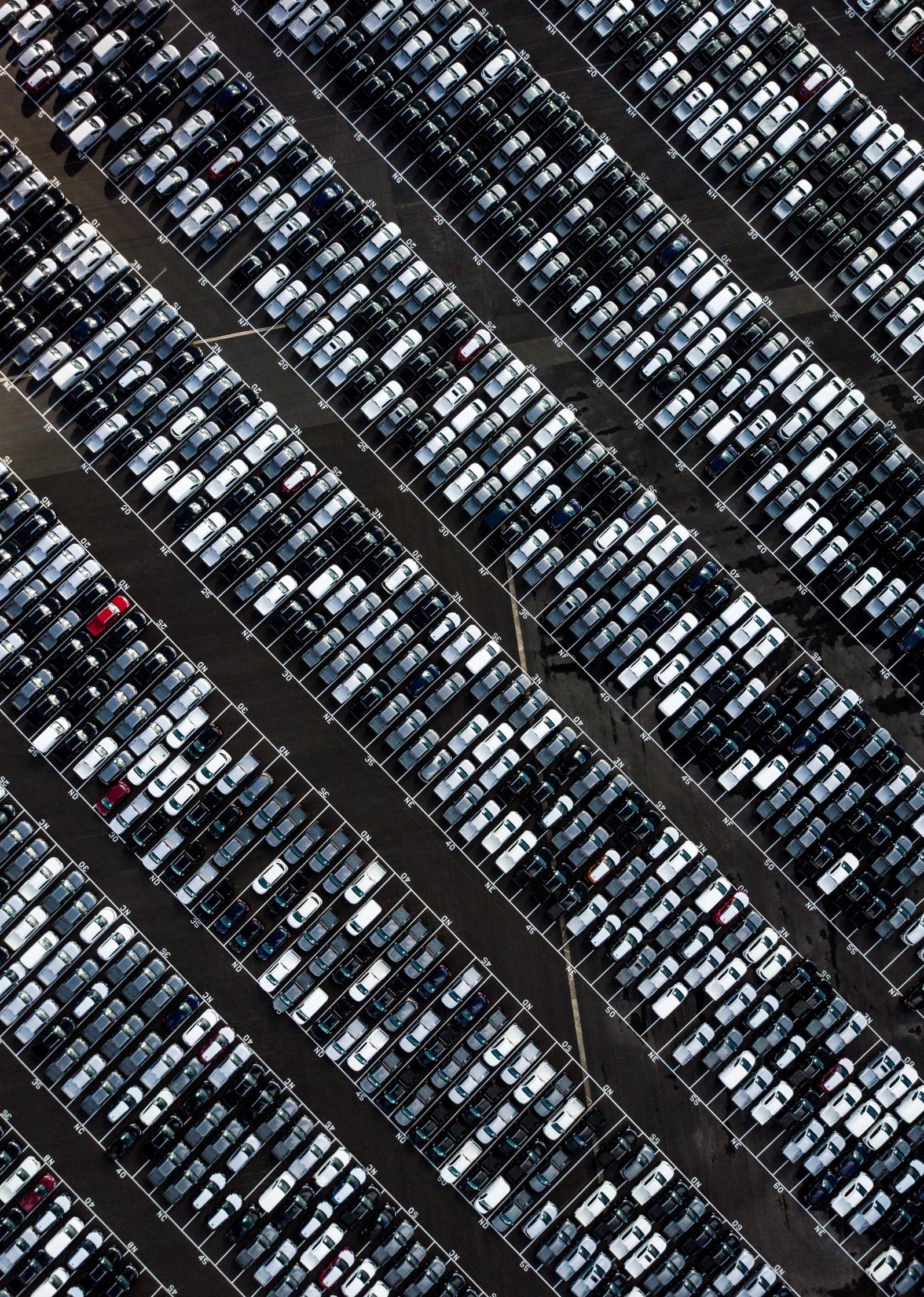
There is a growing trend among new-age buyers for used cars in a fast-changing digital world. Prospective purchasers rely on information and reviews received from the web world. Reliable research studies prove that more and more buyers from middle-class as well as upper middle-class socio-economic ladder tend to opt for buying a used car rather than purchasing a brand-new vehicle. Purchasing a used car is the culmination of a two-month long process that includes extensive study, shortlisting, and evaluation of options, test-drives and evaluation of financing options. Previously, the power balance battle between buyers and dealers would benefit the latter. The evolution and development of digital mediums has radically altered the power dynamic.

In FY2021-2022, the Indian used car industry was valued at \$23 Bn, and it is expected to grow and expand at a CAGR of 19.5% in value and 12.7% in volume by FY2026-2027. We are likely to see a significant shift in the Indian used car market over the next decade, with buyers evolving and becoming more informed.

Buyers now have a decisive advantage and are becoming more well-informed about cars, their quality, residual value, pricing applied, costs of finance, availability, and, increasingly, the precise profit margin that the dealer makes while finalising a purchase.

Cars in India change hands five times during their entire lifecycle before being scrapped. For the first time, dealers have started recognizing the benefits of e-commerce since going digital reduces expenses and increases profitability. These forward-looking dealers have applied customer insight to their advantage by concentrating on what consumers truly desire. We can describe it as a 3 Ts guiding principle: Trust, Transparency, and (seamless) Transaction.

The used car to new car ratio reached 1.4 in FY2021-2022. While new vehicle supply constraints contributed to this metric, it is expected that the used car market would grow to 1.9 times new car volumes by FY2026-2027. That is, indeed, phenomenal.



PART A

MARKET OVERVIEW: GLOBAL & INDIAN TRENDS

To say India's used-car sector is booming is an understatement. Without a doubt, used car platforms and organised chains are capturing a larger share of the industry than ever before. These key efforts are aimed at gaining the trust of both sellers and buyers.

By FY2026-2027, India's used-car market is expected to touch sales of up to 8 Mn units. Consumer research has highlighted the emerging preference for personal mobility amongst consumers, especially in the aftermath of the pandemic. This has gotten further traction through the acceptance of buying used cars digitally. Purchasing a used car is fast becoming the new normal across the world.



1: USED-CAR INDUSTRY SNAPSHOT: A LARGE, ROBUST, AND UNTAPPED GLOBAL MARKET

Car ownership is one of the most involved decisions that an individual takes in his or her lifetime. According to projections, the global used-car industry is likely to be worth \$1.52 trillion by FY2026-2027, growing at a CAGR of 5.7%. In only five years, from FY2021-2022 to FY2026-2027, the global adoption of long-term online platforms for used car sales will significantly alter the growth of the used-car industry.

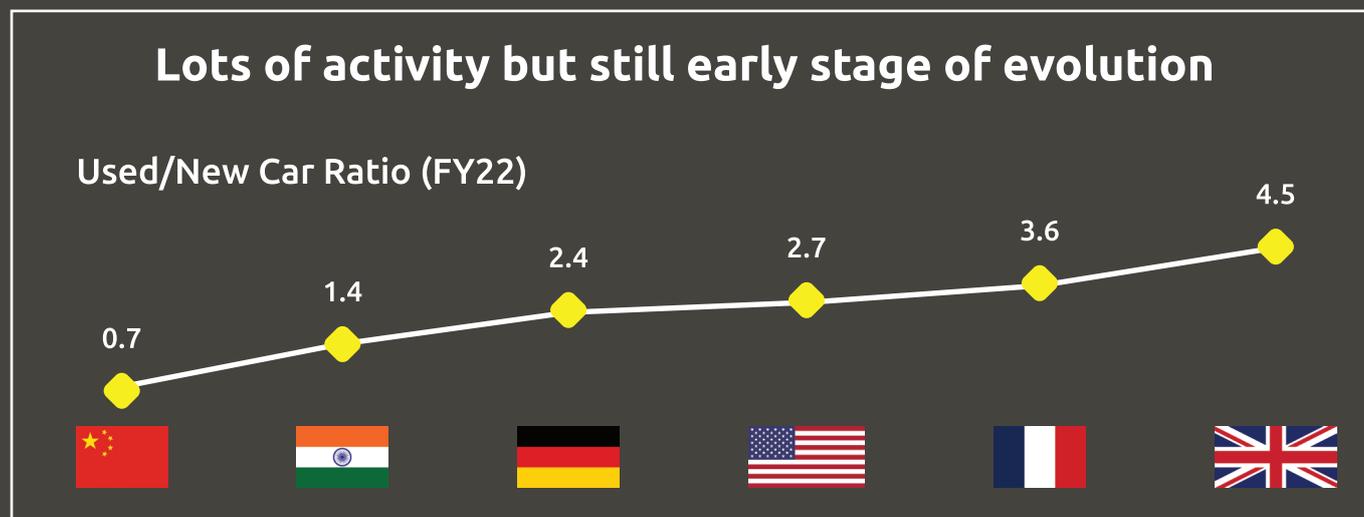
Let us face the fact: The usage of Artificial Intelligence (AI) will definitely prove a game-changer. The car industry's adoption of digital know-how and other technical advances, including AI, will significantly improve the purchaser's online experience. Another aspect, which is probably going to influence the used-car market, is candidness and transparency among the sellers, customers, and certified used-car vehicles. Obviously, buyers have their reasons to opt for used cars than buying a brand-new vehicle. One of the guiding factors in this endeavour is the desire of a purchaser to save money. This is quite understandable. Some customers seem unsure about the impact of the new car on environment and tend to choose a tried-and-tested method of buying a used car while others prefer familiarity and more of a personal experience. Whatever the grounds, the used car industry is thriving. It is showing no signs of abating anytime soon.



1.1: BUSINESS EXPANSION A KEY STRATEGY FOR USED CAR PLAYERS GLOBALLY

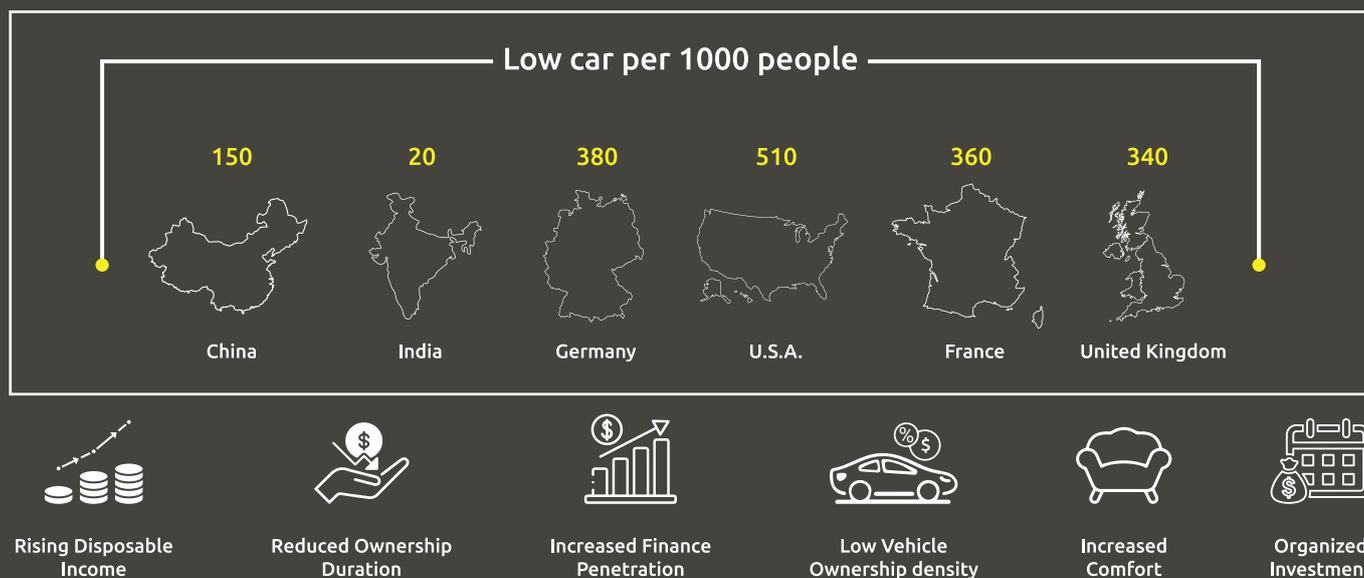
Evidently, the sheen of the new car industry has dimmed slightly, but the glow of the used car industry remains. In the US and the UK, France, and Germany, used car sales now outnumber new car sales by nearly a factor of two. India is not lagging in terms of used car supply; since FY2019-2020, the used-to-new car ratio has remained rangebound between 1.4-1.6. It is expected to rise to 1.9 by FY2026-2027. By all indicators, India's used car market is all set to grow, and expand. That is the main takeaway. With the aim to appreciate this phenomenon a little better, it is important to draw lessons from the models and research studies available to us.

A GROWING SHARE OF USED CARS GLOBALLY



Source: car&bike Analysis

FACTORS DRIVING THE RISE IN USED CAR OWNERSHIP



Source: car&bike Analysis

Multiple platforms, in our sound judgement, are at play globally, with tech-savvy start-up entrants dominating the scene, with an aim to disrupt the existing offline businesses. These companies are leveraging a variety of highly developed digital capabilities, such as big data analytics and advanced digital platforms, to distinguish themselves from traditional used-car sellers. In effect, they have redesigned the process of buying and selling used cars thus rendering every step of the entire process seamless, smooth, and transparent. A good piece of news is that buying a used car has become a stress-free and rewarding experience for a purchaser.

Simultaneously, established used-car dealers and OEMs are taking effective steps to safeguard and enhance this vital revenue source by enabling a “Phygital Experience.” Phygital Experience is one of the latest marketing trends that alludes to a sort of amalgamation between the physical and digital worlds. It is a fusion in which human experience is adding value to e-commerce.

The phygital experience is a one-of-a-kind and rewarding experience that begins with a content-driven journey on a digital platform, allowing for product discovery, in-depth car details, schedule test-drives, and the option to acquire financing for the vehicle.

This is accompanied by an offline touch, such as the assistance of value-added services and hassle-free paperwork, which allows the buyer to complete the deal. To put it simply, both of these journeys (offline and digital) are at the heart of a Phygital Experience.

1.2: GLOBAL USED CAR BUSINESS MODELS

Globally, the buyers have become smarter, and the role being played by the internet explosion and artificial intelligence has altered automotive industry, and with it the used car business models as well. In the case of India, the market is exploding into action and benefiting from the watershed moment that it witnessed in 2020. Historically, it has been observed that the Indian online automotive market has been slow to mature. Not anymore, though.

The year 2020 has been a game changer.

Globally, as many as 50 top auto sites are leading the way as far as total monthly visits to the websites are concerned. Four such websites in India, with car&bike dominating the pack, had 94.7 Mn monthly visits, demonstrating the country’s digital transition.

Furthermore, in relation to used vehicle business models, the COVID19 pandemic has acted as a catalyst. On the one hand, the pandemic has caused disruption of sorts. And, on the other hand, it has also instigated new thinking as more and more consumers are fancying private conveyance to ensure personal wellbeing. Given the fact that the offline sales have accounted for the major volume share of 75% in FY2021-2022, the buyer’s fondness for the conventional mode of buying cannot be undervalued.

At the same time, it is no secret that online sales are expected to witness phenomenal growth in the next few years. This distinctive combination has enhanced competition in the market.

The trends from Germany, the heart and economic engine of Europe, suggest that the used car industry will not only thrive but also inspire others as well. In Europe, the used car market is emerging as the single biggest retail market. Currently, the global trend shows that at least two-thirds of consumers are content to buy or sell a vehicle entirely online but not all do so. That is perhaps why the entry of more players and operators will provide a boost to the market. The European consumer used-market industry is growing by leaps and bounds. In Pakistan, the market remains to be won but it is showing signs of improvement. Though transaction volumes in the country remain small and challenges are somewhat like that of Turkey, the growth story is not a far-fetched dream.

Based on broad commonalities and revenue streams, we at car&bike believe that the global business models may be classified into five separate groups:

1. **Business to Business (B2B):** Procuring vehicles from a car dealer / financial institution / fleet operator and selling it to another car dealer. Example, procuring a used vehicle from a New Car Dealer (who may have purchased it through a trade-in) and then selling the vehicle to a used car dealer.
2. **Business to Consumer (B2C):** Procuring vehicles from a car dealer / financial institution / fleet operator and selling the vehicle to a retail customer. Example, procuring a used vehicle from a New Car Dealer (who may have purchased it through a trade-in) and then selling the vehicle (with or without refurbishment) to an end consumer. Indeed, in today's automotive world, the used car sales comfortably surpass that of brand-new vehicles globally. In this regard, the first one is the rudimentary C2C/B2C marketplace. In simple words, it can be defined as a conduit; a platform which brings together sellers and buyers and grants them an opportunity to have a direct communication link to complete their transaction.
3. **Business to Business to Consumer (B2B2C):** Procuring from a car dealer / financial institution / fleet operator and selling the vehicle to a retail customer through another car dealer. Example, procuring a used vehicle from a New Car Dealer and then selling the vehicle to an end consumer (without refurbishment) at another used car dealer's outlet through a tie-up with the used car dealer.
4. **Consumer to Business (C2B):** Procuring vehicles from a retail used car seller and then selling it to a used car dealer.
5. **Consumer to Consumer (C2C):** Procuring vehicles from a retail used car seller and then selling it to another retail customer (with or without refurbishment).

The inability of buyers to purchase brand new cars owing to high prices has become one of the factors fuelling the increase in used car sales volume. Besides, in India, the emergence of online cab service also pushed some to either suspend or postpone their plans to purchase personal vehicles. On the one hand, the pandemic caused economic hardships, and on the

other it made individuals realise the significance of travelling privately in their own vehicle. Thus, the option of purchasing a used vehicle came to the rescue.

Additionally, the role of online sales cannot be underestimated by any stretch of imagination. Industry participants are concentrating on organic growth strategies, such as business expansion in untapped regions. The objective is to gain a competitive edge in the used car industry. Companies are also channelizing their efforts in expanding their market presence and outreach by rendering the buying experience of used cars easy with competitive pricing, bundled with warranty and seamless after sales service, including buyback.

However, this is still work in progress. All competitors have an equal opportunity to benefit from the transaction model. While this is unlikely to be a 'winner-takes-all' market, it is almost certainly a 'winner-takes-most' market, with the virtuous cycle of scale driving word of mouth, a greater dealership footprint, and economies of scale.

GLOBAL USED CAR START-UPS DOMINATING ACROSS GEOGRAPHIES



In FY2020-2021, we witnessed a major shift towards inorganic consolidation by TDR Capital, a private equity firm, which has become the largest digital retailer of vehicles in Europe by combining Constellation Automotive Group and CarNext. It was the first major consolidation among European online auto marketplaces, but you can guarantee it won't be the last across markets. Over the next few years, the industry will most certainly see consolidation, and an increase in 'organised retail' across used-automobile space spanning across cars, farm equipment, two-wheelers, light and heavy commercial vehicles, and three-wheeler categories.

2: TOP TRENDS INFLUENCING THE USED CAR MARKETS

2.1: CEMENTING RELATIONSHIPS WITH HONESTY

The old adage 'honesty is the best policy' comes handy to understand this aspect. In the absence of a transparent transaction, the buyer attempts to learn about the seller's integrity. A seller with a decent reputation — being honest and open — stands to lose a lot if the straight path is not followed. Here, the buyer is on the driver's seat and will possibly select someone (s)he is acquainted with for a transaction. In simple words, a potential buyer would want someone from the close family, extended friend circle, acquaintance, and professional networks for purchasing a used car. Generally, knowing someone up close is a blessing. Your bond and relationship with people can be a key factor in placing trust in them.

Nurturing Relationships

Human choices are often erratic and unpredictable when it comes to high-ticket purchases. It is no different when it comes to purchasing a used car. Buyers are a part of the community and social constructs. Therefore, their economic transactions are also usually in sync with the norms, traditions, and customs of their respective socio-economic backgrounds.

When confronted with informational asymmetry, the buyer can compensate by acquiring information about the seller's honesty, or by 'doing business' with persons the purchaser is already familiar with and/or shares a similar socio-cultural background, religious beliefs, and ethnicity. Undoubtedly, buyers will test both methods. However, it is apparent that tactics based on transaction are the simplest (particularly dealerships) to adopt if their starting point is long-term benefit. Organized platforms will need to strike a balance between the online and offline worlds while providing best-in-class customer service.

2.2: THE RISE IN THE CONSUMER DEMAND FOR ONLINE PURCHASES

The truth is that buying a used car is becoming increasingly digital. Of ten car purchasers, nine potential buyers prefer receiving and analysing information from the internet. At the time of purchasing a used car, many prospective buyers expect digital services. This is not a random or haphazard trend. In fact, it is becoming a customer habit. Two in every three respondents prefer scheduling an appointment through the platforms' website. In general, six out of ten respondents want a speedy response to their digital enquiries within a maximum of two hours. 10% of respondents prefer interaction with an auto-expert in near-real time, with a response time of less than 20 minutes. Digital services such as a wide range of sorting functions, for instance by vehicle age, price, quality of engine, or colour for ease of choice, are high on list of priorities as far as the buyers are concerned.

As online used car platforms' gain traction, particularly in the aftermath of COVID19 pandemic, we believe key performance metrics for the digital retail platforms will be quite in tune with those in the traditional used car sector. That said, the capacity to create trust across digital touch points for delivering a decent customer experience and the offline physical experience remain critical factors.

Several business models already exist for platforms that acquire cars and then sell them either in retail to individual consumers or in bulk. However, classifieds and e-commerce in general, as well as digital car sales have enormous potential. The latter would generate far bigger revenues than classified postings, thus global used car platforms are shifting into transactions and e-commerce vehicle sales.

2.3: CONSUMERS ARE EMBRACING DIGITAL TRANSACTIONS AND VALUE-ADDED SERVICES

One of the biggest challenges involved in any transaction is trust. How to develop trust and ensure transparency and candidness throughout the process of buying? How to guarantee contentment and offer best possible rewarding experience for a buyer? In short, making a potential buyer's entire journey smooth, swift, and secure involves two basic methods. First and foremost, it is to determine what exactly a buyer wants, and the quality of the desired product. Once this is achieved, the rest of the journey becomes comfortable. The second method is, knowing, valuing, and respecting the desire of a purchaser is of immense value in delivering the rich customer experience.

Securing transactions

Another crucial aspect is securing the transaction. In other words, it means that a potential buyer purchases a used car only when the used car platform relinquishes grip over knowledge, and gives consent to decrease information asymmetry, by providing true quality assurance to the purchaser. This specific activity is driven by long-term rewards.

The used car platforms, as our research shows, is in charge and holds the key to many a solution.

Many incentives, such as extended warranties, roadside assistance service, or a 'returns' policy, have been designed by the used car industry to ensure a successful transaction. The idea is to have a secure and smooth transaction and hassle-free ownership experience. Our research demonstrates that it is becoming a common practice for organized used car platforms to incorporate a warranty with a used vehicle. Indeed, 12–24-month warranties are frequently effective, which helps to develop confidence and provide peace of mind. Organized platforms may provide special pricing or a reduced borrowing rate for slower-moving cars. In the event of an 'unsatisfied purchase', buyers have the opportunity to change their minds and return the car within a short period of time, as little as a week.

The Organized platforms provide extensive testing and rigorous evaluation which is at par with OEM level certification. In effect, this means that the organised used car platforms offer vehicles that have undergone wide-ranging testing, often ranging from 140-200 inspection points. Following the evaluation, any repairs that are deemed necessary are performed. The organized used car platform acts as a guarantor in this case.

To provide security for transaction, Organized platforms are offering data on former car owners and detailed service history to the new buyers. Of course, the personal data of the

previous car owners is fully protected to ensure that individual privacy is not breached. All necessary data related to the car performance, mileage, condition of the engine and service history is made available. Guaranteed Buybacks after two-to-three years, are bound to attract repeat buyers to organized platforms and provide price assurance to prospective buyers.

The above measures reassure the forthcoming buyers by reintroducing pricing as quality indicators. This, in turn, raises both pricing and sales in the long run. Of course, this means that the dealer's transaction cost is higher, resulting in a reduced profit margin. As a result, it is in the seller's long-term interest to guarantee the initial quality of the car (s)he promotes.

2.4: DATA: A RECIPE FOR DECISION MAKING

Any buyer is fascinated by the idea of a test drive. Yes, it is true that people in today's fast paced life rely heavily on modern gadgets such as expensive smart mobile phone devices and iPads, but the joy of a test drive on the road continues to remain incredible. Buyers do take out time from their busy schedules to carry out material assessment on the road. It is characteristically the best way to get a feel of the vehicle before purchasing it. However, when the car dealers want to purchase hundreds of used vehicles for their lots, it will not suffice. An estimated 4.4 Mn used cars were sold in India in FY2021-2022, which was similar to the previous year's number.

Around the same time, 80 Mn+ used cars were sold across USA, China, UK, Germany, and France. While the average buyers may be comfortable driving off the lot in their newly acquired used car, they are often unaware of a broad and sophisticated industry in which used car dealers replenish their lots with inventory from several locations across the country.

A majority of organized used car platforms work on a bit of art and science, knowing the intricacies of their industry, knowing consumer behaviour, and also knowing what's best for their lot. Data is available in abundance for the platforms to take informed decisions and benefit from them. Information acquired as a result of content analysis, with limitless data available in relation to rapidly changing market estimates and customer demands, is gold dust. At times, it is difficult to determine what used car platforms should and shouldn't pay attention to. The devil, as they say, lies in the detail. Attention to detail and analytical sweep are two key skill sets that can bring about a win-win situation for the purchaser as well as the seller.

The starting point for most prospective buyers is a recommendation engine on the front end that provides a sharp degree of personalization. The more information the system works with, the more detailed and accurate the suggestions it may be able to provide later. Recommendation engines analyse hundreds of data points in real-time and provide organized used car platforms and dealers with a list of cars, each with a unique colour-coded badge indicating distinctive features. Platforms are attempting to connect the ideal car with the desired buyer at the right moment. It is more about taking a right decision for the right person at the right moment. Recommendation engine must focus on the present inventory, and the ways in which the inventory moves out quickly.

The critical part, however, is to establish and improve the data models that generate the rankings of each car to guarantee that we are matching the best cars to the dealers, followed by the development of a comprehensive machine learning framework to optimise the real models. Because no two cars are similar, recommendation engines must take into consideration a plethora of factors such as unique trim choices, mileage, wear and tear, depreciation, how quickly a car can be sold, and what profit it is likely to return.

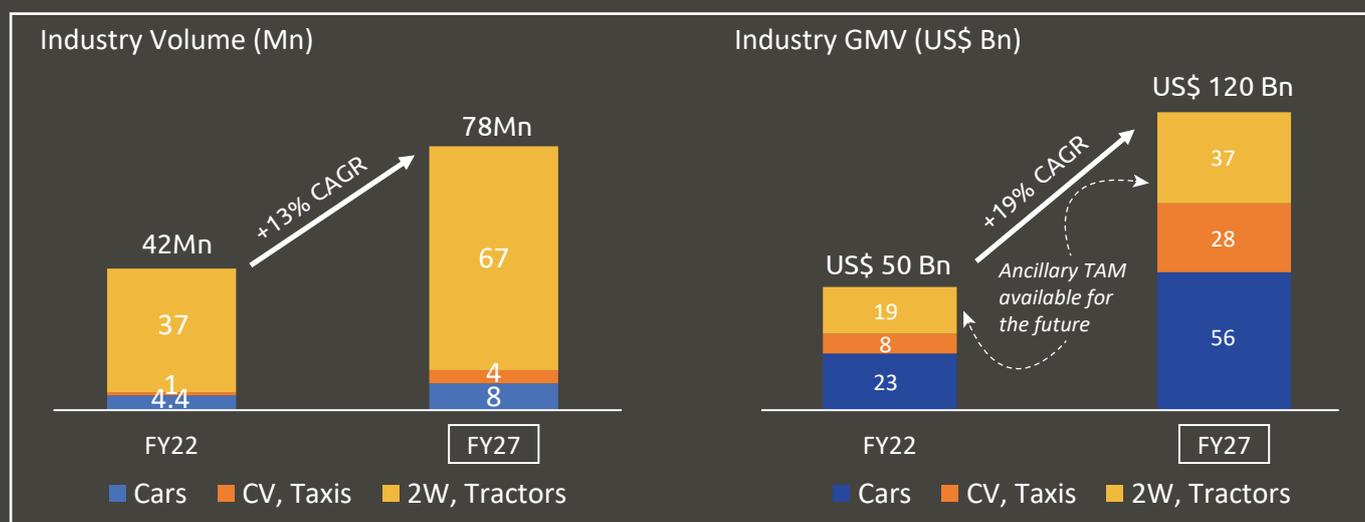
While dealers and organised platforms may spend hours browsing through car auction aisles, the appropriate recommendation engine combining big data and machine intelligence may speed up and profit all parties. Profitability is determined by the unit economics of each car, which is precisely programmed into the ever-learning nimble engine.



3: INDIAN USED CAR MARKET: THE UPSURGE AND DRIVING TRENDS

Given the ever-changing consumer perception and purchasing behaviours, used vehicle platforms have a significant influence on the circular economy and it indicates a shift from shared to personal mobility. As a result, the used automotive industry is expanding rapidly, with a US \$50 Bn market in India that has the potential to rise to US \$120 Bn by FY2026-2027 (CAGR of 19%). Cars account for about half of the market’s GMV, with the rest coming from other vehicle categories (Commercial Vehicles, Tractors, and two-wheelers), all of which are witnessing substantial growth. This upward trajectory is supported by a 13% CAGR growth in volumes to reach 78 Mn of which 8 Mn used cars are expected to be exchanged in FY2026-2027.

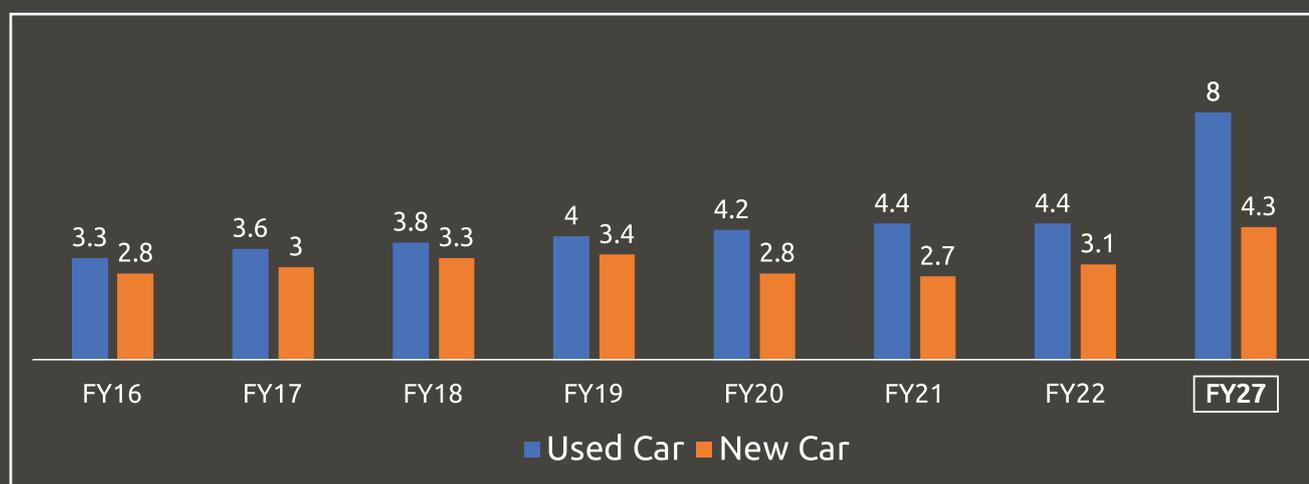
THE COMPETITIVENESS IN THE USED AUTO MARKET



Source: car&bike Analysis

India’s car sector is one of the world’s fastest growing automobile industries. It is already the fourth biggest in the world. As per SIAM (Society of Indian Automobile Manufacturers), annual new passenger vehicle sales in FY2021-2022 totalled 3.1 Mn cars, a 15% increase over FY2020-2021. This new car growth explosion is supported by a parallel used car industry, which gives buyers the option of owning cars at a lower cost.

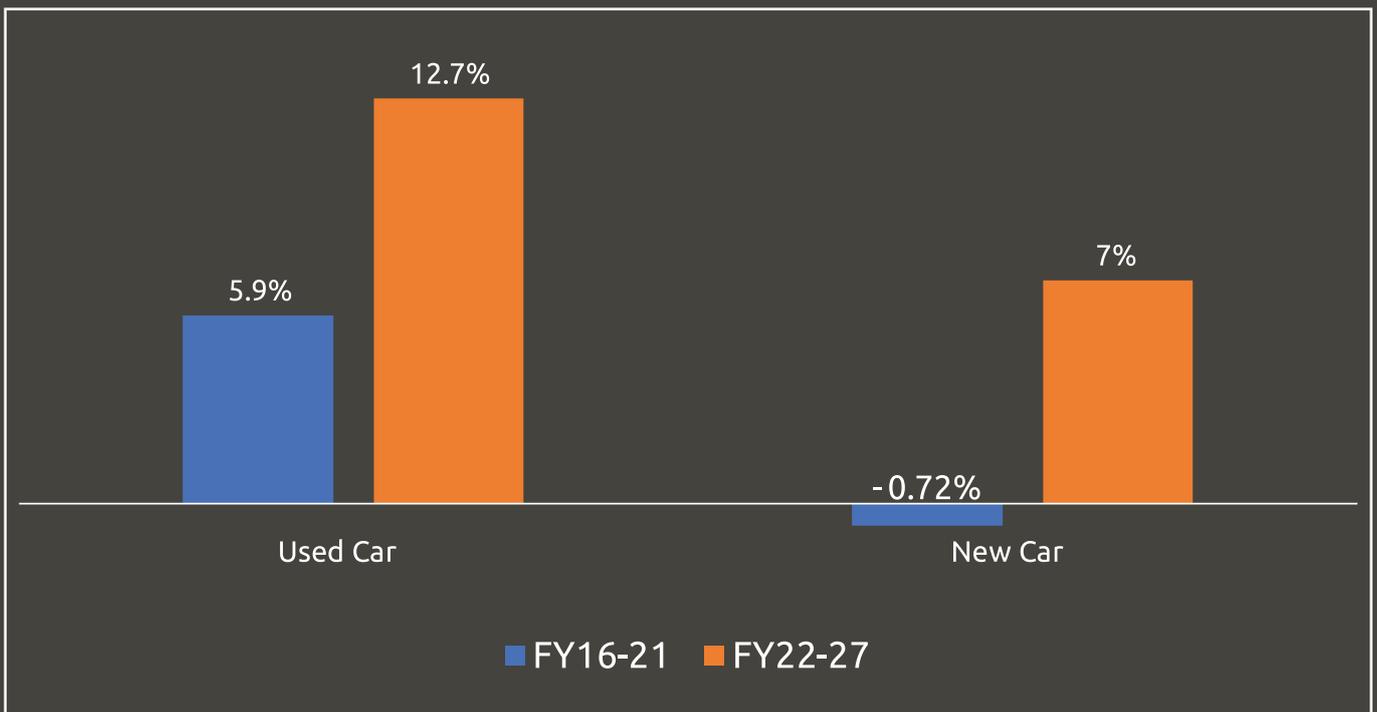
USED CAR VERSUS NEW CAR INDUSTRY UNITS (IN MN/YEAR)



Source: SIAM, car&bike Analysis

A decade ago, the situation was entirely different. In the absence of organised used car players, a decade back, more than 55% of all used car purchases were C2C (Customer to Customer) among friends and relatives, within the 'Circle of Trust.' The remaining sales were handled by unorganised local dealers. Hence, the Indian digital used vehicle industry has historically been slow to flourish pre-Covid19 period, with online marketplaces unable to earn substantial profits in a country where consumers are price conscious and where most part of the transaction phase happens offline. The Indian used car market was valued at \$23 Bn in FY2021-2022, but it is projected to grow and expand at double the rate, at a CAGR of 19.5% till FY2026-2027.

CAGR BY VOLUME OF USED & NEW CAR MARKET



Source: SIAM, car&bike Analysis

However, due to supply and demand constraints, the Indian used to new car ratio has remained somewhat buoyant in FY2021-2022 compared to FY2020-2021. Furthermore, buyers were holding on to their old cars due to delays in the procurement of new cars due to chip shortages. This has improved towards the start of FY2022-2023 and used car sales are expected to outweigh new car sales.

THE INDIAN USED VERSUS NEW CAR RATIO

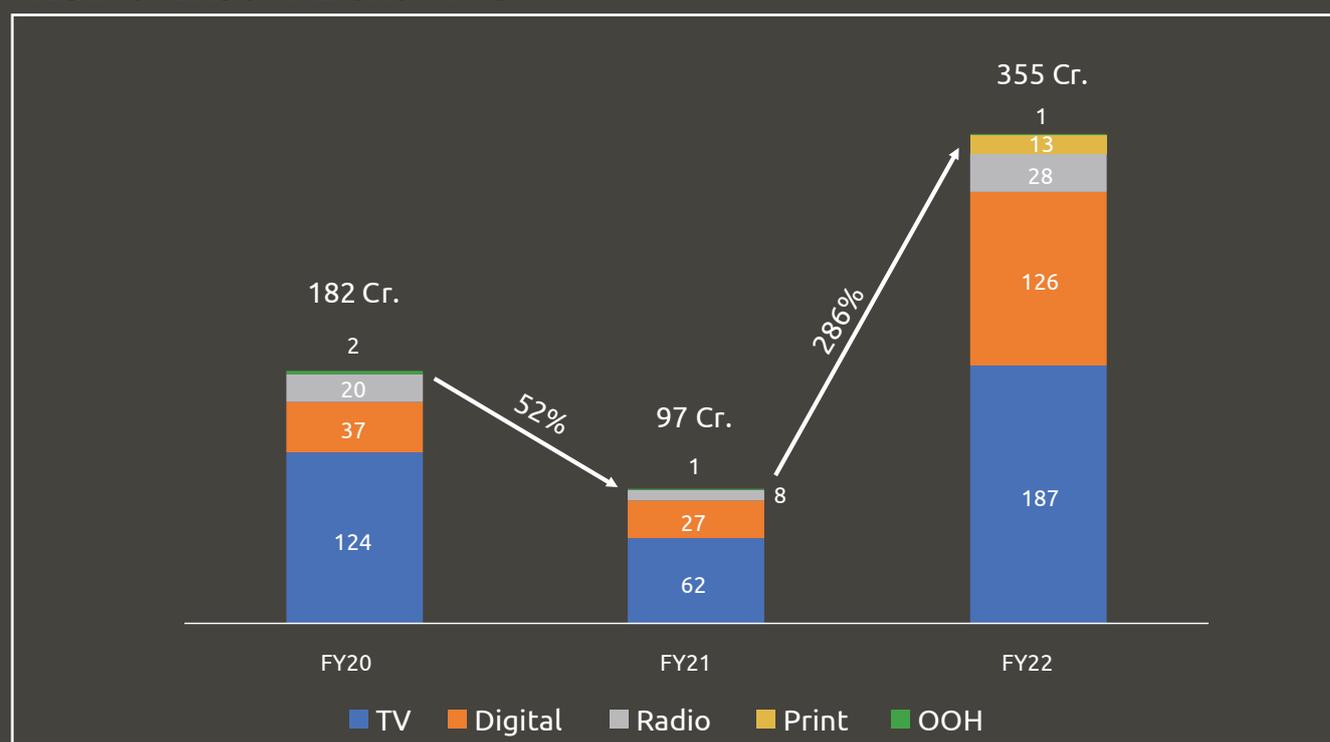


Source: SIAM, car&bike Analysis

The growth will be determined by increased sales of used cars in metro and non-metro cities and a steep rise in online platforms. A buyer has too many options and so does the seller. Customers do benefit from various online platforms. Amid the ongoing shortages for manufacturing new vehicles, a problem complicated further due to the COVID19 pandemic, more and more potential buyers have been opting for used cars for personal mobility. This scenario is unlikely to change drastically in the near future.

A slew of used car enabled platforms has attracted the interest of Indian vehicle car buyers looking to buy used cars. Impressive brand campaigns from various organized used car industry players across broadcast and print media and also online portals have increased awareness of Indian used car players. Advertisement spends have increased by a whopping 286% from FY2020-2021 to FY2021-2022, which, in turn, is leading to higher investor focus towards this category.

MEDIA SPENDS ARE GROWING



Source: Lodestar, FCB Ulka

The rationale behind investor interest is simple: The market is yet to be won. There is no dominating player, and there is lot of space left open for growth with unique models in a market destined to be among the top five internationally for both new and used cars. According to our research, the pandemic, digitalization, rapidly changing demographics and ambitions, first-time buyers, and the availability of different financing choices are among the significant growth factors in this respect.

Our research proves beyond doubt that more than 60% used car consumers are first time car buyers. It has been observed that a good chunk of buyers prefer to experience car ownership through a used car first, and then graduating to a new vehicle at a later stage. Affordability remains a key factor hugely influencing purchase choices. Budgetary constraints, as well as the realisation that a used vehicle may provide significantly greater value for money, dissuades some people from purchasing a new car.

3.1: PARADIGM SHIFT IN 2020

A tectonic shift was witnessed in 2020. The COVID19 pandemic significantly pushed capital to the India's used markets and propelled the sector forward with an online play. The fund-raising front is abuzz with activity, but the Indian used car industry is still at an infancy stage with a disjointed value chain. A rapid development in this regard is not very far, though.

This disjointed value chain persists due to the unorganized nature of the industry. Part of this value chain is increasingly become organised on both the supply and demand fronts, but there is more that needs to be done. Alongside, the steady progress on making the category organized, almost India's entire major used car players have witnessed a significant rise in investment over the last year, with one IPO and others scheduled for during the FY2023-2025 time period. Total equity funding raised thus far across the ecosystem is \$2Bn+ since FY2018. Primarily, the funds will be used for product expansion and a stronger offline presence, and in improving transactional mechanism in either business to consumer or consumer to business transactions.

3.2: INDIAN USED CAR BUSINESS MODELS IN PLAY

Globally, several business models are being tested and evaluated, and in India, these are based on asset intensity, channel philosophy, and transaction mode.

Asset intensity is defined as the amount of investment made for operational purposes and the number of sales generated as a result: a firm can be Asset Heavy, Partly Asset Heavy or Asset Light. Platforms in India's used car market aggregate demand & supply and focus on decreasing the number of middlemen while serving buyers and sellers.

They enable consumers and sellers to transact effortlessly through their online & offline platforms and the diversified business models can be further understood as follows:

Transactional Models

1. **Consumer to Business (C2B)** is an asset heavy model. The used cars are auctioned off on digital platforms and majority of the revenue is generated by the selling of used cars, which the company purchases from individuals and dealers and resells to other dealerships. Cars are inspected and auctioned to a network of dealers, usually with 24 to 48 hours.
2. **Business to Consumer (B2C)** model involves selling used cars directly to the buyer. On the one hand, this is an asset-heavy strategy in which the company buys cars from customers, refurbishes them, and then sells them to consumers. Used cars are sold in an omni-channel fashion, either through an **e-commerce platform** or through **Company Owned-Company Operated (COCO) storefronts**, the latter of which requires a significant investment. The platforms control the whole buying and selling experience including support for Financing, Insurance & Warranty.

If, on the other hand, used cars are sold to buyers through Franchisees, the model is asset light. This benefits the company since lower capital investment is locked in, allowing them to focus more on delivering support to dealerships through Procurement and Lead reinforcement, Financing & Insurance support, Comprehensive Inspections, Refurbishment Support, Warranty administration, and After-sales support.

For instance, platforms like Mahindra First Choice (car&bike) are leveraging the 'Phygital platform strategy,' in which they aggregate supply and demand while facilitating transactions via their e-commerce channel (www.carandbike.com), and offline via franchisee networks.

OEM platforms, such as Das WeltAuto, is primarily focused on establishing a network through its current OEM dealerships while also supporting buyers with Financing, Warranty, and Insurance.

3. **Business to Business (B2B)** is a partially asset-heavy model that deals in a selected inventory play to support dealers in securing procurement with

the goal of enabling customers to obtain a broad choice of used cars through dealerships. This strategy is mostly beneficial if a dealer-to-dealer transfer mechanism is in place to help the stock move around more quickly. Used car auctioning is facilitated by the company's tech-led platform.

Non-Transactional Models

1. **Classifieds** are built around an asset light model, and it is an advertising model where buyers and sellers meet and transact. Buyers can research and connect with dealers, OEMs and other partners. Sellers can post free adverts for their products on the site, and buyers can see ads and buy the used cars they want directly from the seller. In turn, the classifieds site would provide third-party financing and automotive ancillary products & services.
2. **Content** based model includes blogs, forums, online communities, and other sites where the primary offering to visitors is consumable material, which is often provided for free, and money is produced by monetising visits through advertising or affiliate sales.

Platforms like car&bike, which originally only existed for consuming auto-content, are gradually establishing themselves as torchbearers of the **Content-to-Commerce strategy**, delivering up-to-date auto content to readers and providing a platform for buyers and sellers to purchase new and used cars as well as sell cars.

Buyers can access comprehensive inspection reports, schedule test drives, and avail benefits from a range of value-added services provided by Mahindra First Choice, such as finance, insurance, and warranty, as well as a 7-day easy returns policy. As a result, they secure the purchase with the backing of a dependable player, providing not only peace of mind but also a good buy for their car.

With used cars being India's fastest growing retail industry, there is plenty of room for numerous large players to emerge and replace a currently highly fragmented market. In a market where two-thirds of customers would purchase or sell a car wholly online but only a tiny percentage can now do so, the more companies that contribute to the development of this fast-growing sector in India, the better.

3.3: EVOLVING BUSINESS TRENDS IN INDIA

While there are several business themes at work globally, at least three are linked with majority of the organised used vehicle platforms in India:

The **transaction trend** entails platforms selling directly to consumers. This representation spans across cars transacted through organized platforms (OEM dealers, independent dealerships, corporate owned franchisees) and cars sold by unorganized dealers/brokers.

Phygital auto-tech platforms are increasingly combining online and offline buying experiences, powered by personalization and content-led information services, thus allowing buyers and auto enthusiasts to buy used cars, new cars, new bikes, consume up-to-date auto news - covering new launches, provide access to digital auto magazines, and assist sellers to sell cars on their digital platform.

On the physical front, they are focusing on providing buyers with multi-brand used cars across offline dealerships as well as best-in-class offline customer experience and value-added services. Given the need for personal touch and feel of the car remaining high among first-time buyers, the phygital approach is preferred and could remain important even as the purchase experience would largely remain dealer driven.

Potential buyers can reserve, test drive, finance, and purchase a certified used car through used car digital platforms. The cars are supplied to them with a two-year warranty, which is apart from guaranteed repurchase, and a seven-day easy returns' policy along with lowest IRR financing. These platforms also allow buyers to opt in for accessories, thereby enhancing the monetization of value-added services.

Secondly, helping the organized and unorganized markets **secure supplies to match the equally high demand** with quality cars is made possible through multiple supply channels:

1. Tapping into the aggregation of yards where vehicles are parked pan-India and purchasing certified quality vehicles directly from FIs and leasing cos.
2. Leveraging the **pan India network** of trained vehicle evaluators, who assist banks, NBFCs with AI-based algorithms to arrive at the Quality Score
3. Supply is further secured through repossessions and auctioning of vehicles by banks & insurance companies.

Thirdly, on the **demand side**, organized used car platforms provide services such as transaction listings for dealerships, which, in turn, help rotate dealer stocks' faster and brings about growth. Buyers are increasingly looking to purchase vehicles with financing at a low cost, which when coupled with warranties shoots up a premium. However, this premium is justified with the after sales support, and the hassle of vetting quality vehicles.

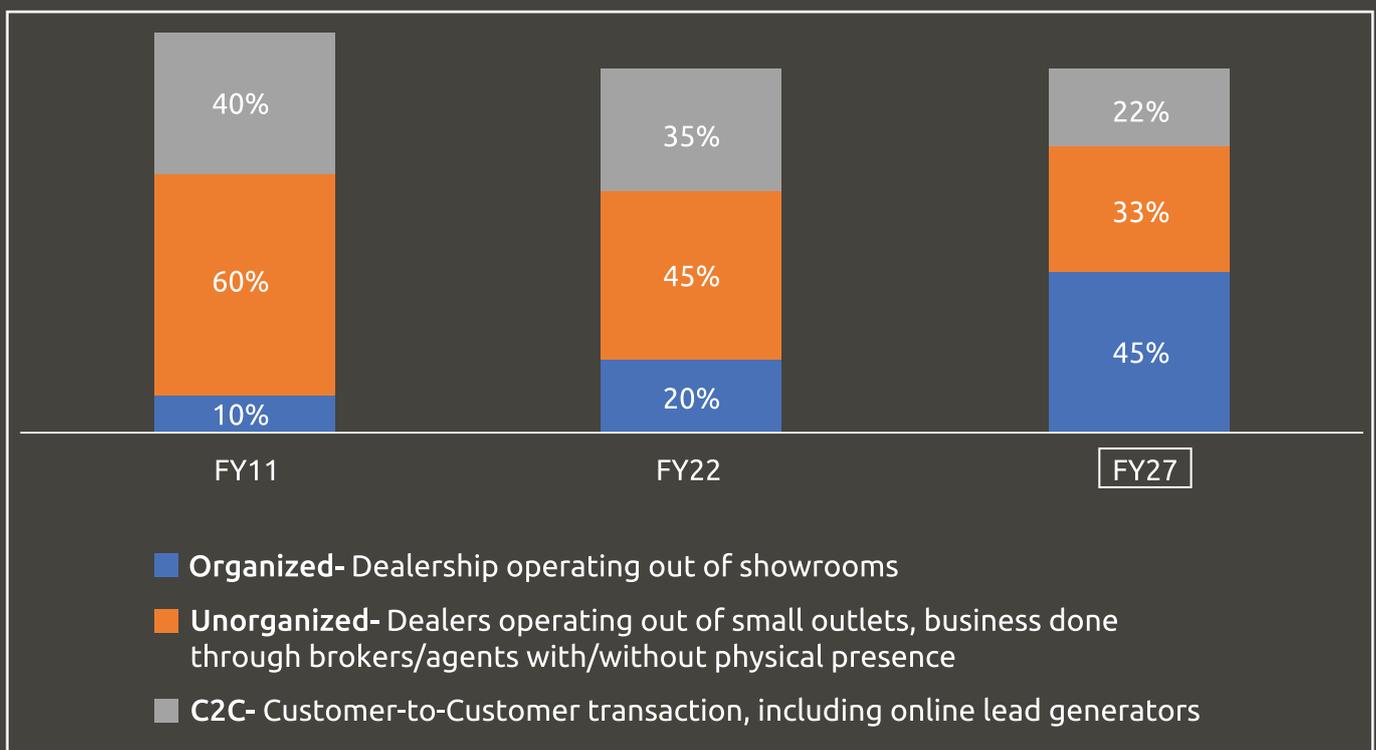
3.4: THE EVOLUTION OF DEMAND AND SUPPLY FROM PRIMITIVE TO EVOLVING

Well-known OEMs and start-ups have shown interest in setting up a used car project in India. There are various other pressing factors behind pushing buyers to opt for used cars over brand-new ones. Besides the cost of ownership for a used car, which is appreciably less in comparison to a brand-new vehicle, higher taxes, registration fee at RTO, hugely expensive insurance policies and present inflation are some of the deciding reasons why a consumer finds the option of buying a used car more viable.

Why and how India’s used car platforms are making incremental progress can be further understood as follows:

- Used car platforms are showing progress in organising the market and **supplying quality cars to car buyers**. These platforms are evolving as a one-stop shop for quality content, as well as a platform for buying and selling cars and putting the consumer first in terms of a differentiated phygital experience. With the result, this industry is moving from unorganized to being organized and thoroughly professional.
- **Demand in Non-metros & Supply in Metros is increasing** due to the consumer desires and increasing trust with platforms, the organised used car market’s share is all set to increase from 20% in FY2021-2022 to 45% in FY2026-2027. As the average age of vehicle ownership decreases, there would be a steady increase in availability of used cars. Dealerships would lead towards a path of being highly profitable. This coupled with a seamless transaction and ownership experience will eventually drive future growth that is scalable.

THE RISING SHARE OF ORGANIZED PLAYERS IN THE USED CAR MARKET

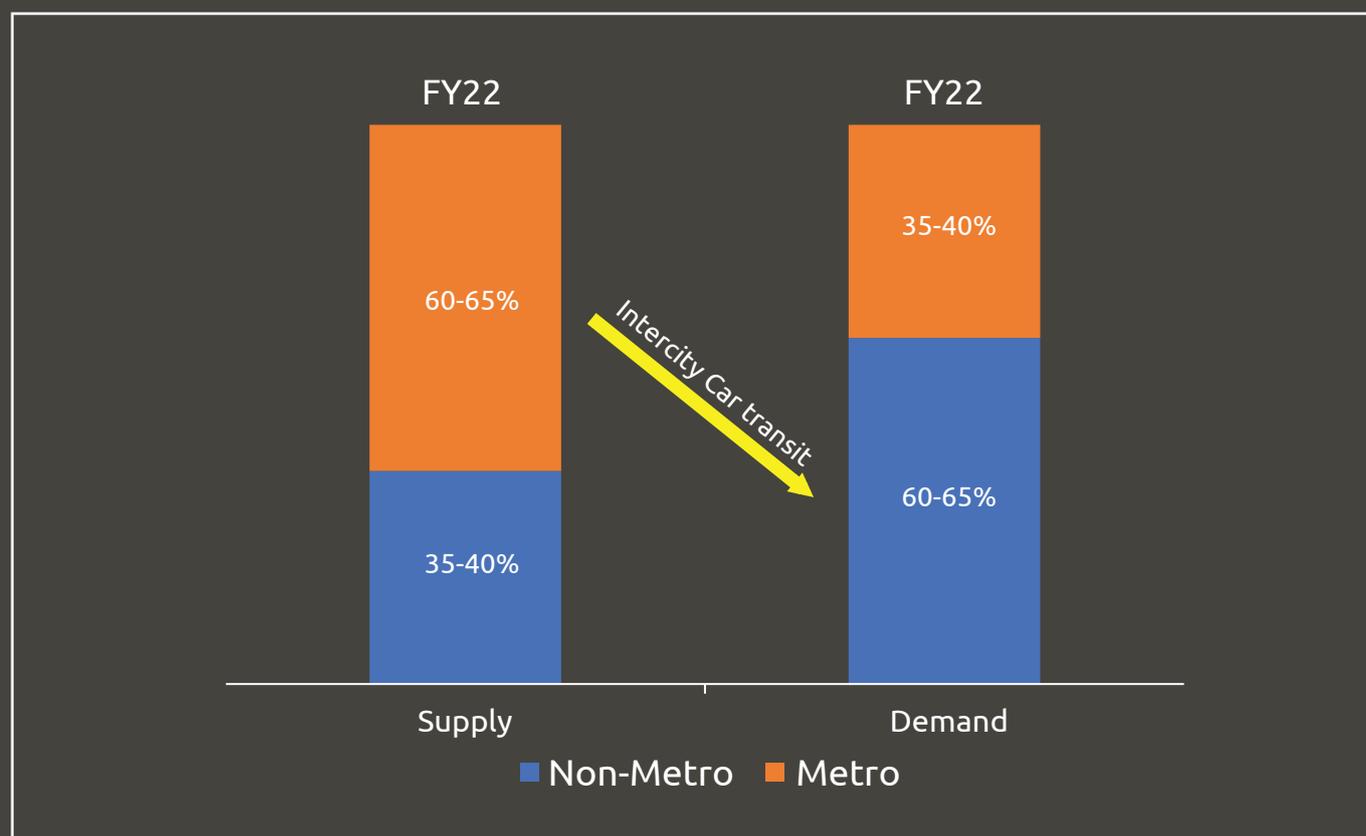


Source: car&bike Analysis

● **Platforms oversee quality of supply** and have 140-200 points check in place to provide certified vehicles via inspections through third parties or company owned inspection services. Moreover, platforms also handle consumer leads effectively across the funnel, owing to comprehensive consumer mapping and customer relationship management. This leads to a stronger lead conversion at dealerships and provides a steady source of income to dealers while maintaining control over the customer experience.

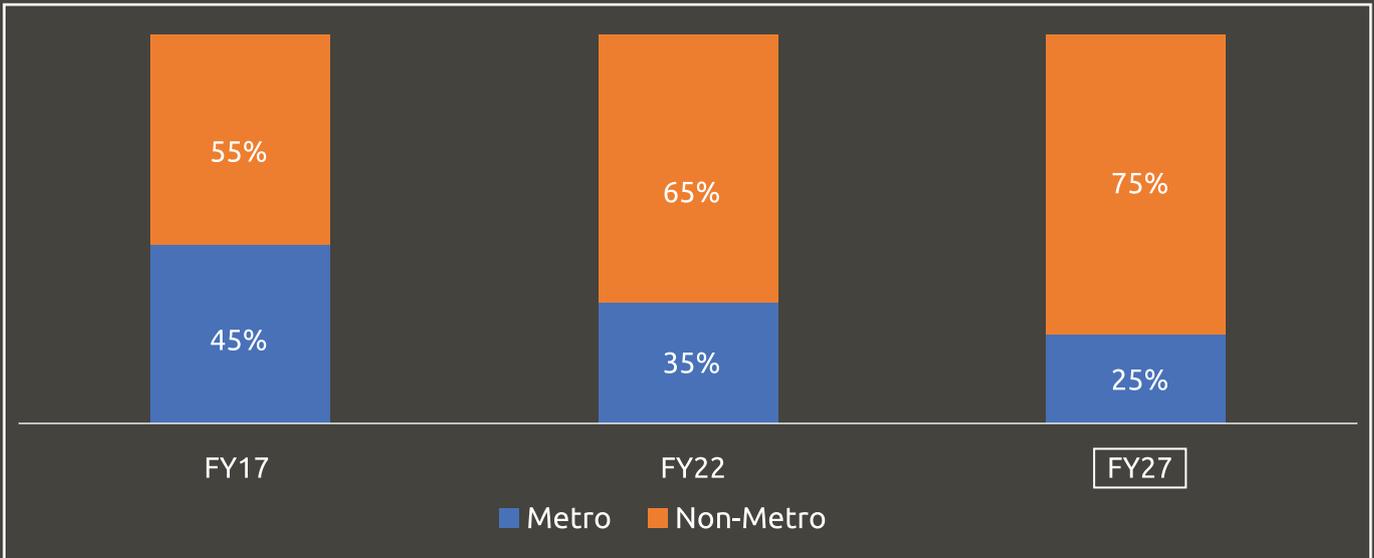
● **In India, the demand tilts towards the Non-Metros** while at least 65% of the used car supply in FY2021-2022 was concentrated in metropolitan centres such as Mumbai, Delhi NCR, Bangalore, Chennai, and Hyderabad. As was expected, markets are small outside of the top 40 cities, with only the top 20 out of 900 cities accounting for 25% of the market. However, the demand in smaller towns is expected to swell at a 30% CAGR by FY2026-2027, compared to a 10% CAGR in the top 40 cities. The supply-demand imbalance between Metros and Non-Metro markets is reflected in these market characteristics:

THE DEMAND VERSUS SUPPLY OF USED CARS IN SMALL TOWNS



Source: car&bike Analysis

DEMAND GROWING STRONGLY SINCE HALF A DECADE



Source: car&bike Analysis

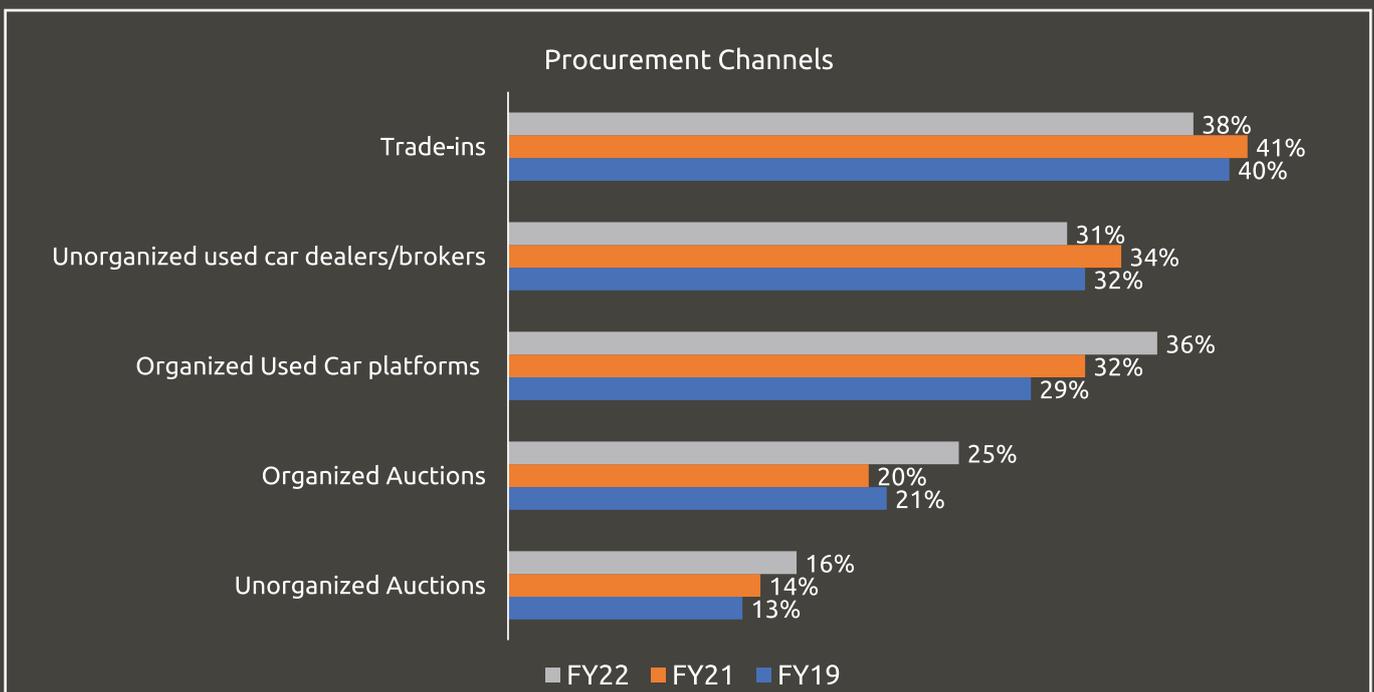
We strongly believe that small towns are expected to witness a substantial growth as the share of the non-metro cities used vehicles sales is anticipated to escalate to 75% (in the next four-five years) from the current 65%.

This will be no less than a paradigm shifts in the used car industry.

3.5: VEHICLE SOURCING AND USED CAR CHANNELS

There are multiple sourcing avenues for used car platforms, and the supply chain is dominated by a network of brokers, which is closely followed by walk-in consumers. Organized used car platforms, a close second, are rapidly being recognised as important contributors to the ecosystem. When it comes to supply channels, unorganized auctions and direct client leads on the websites contribute the least.

SUPPLY SOURCES FOR INDIAN USED CAR MARKET (MULTIPLE RESPONSES)



Source: car&bike Analysis

3.6: EASY ACCESS TO FINANCING IS A KEY LEVER

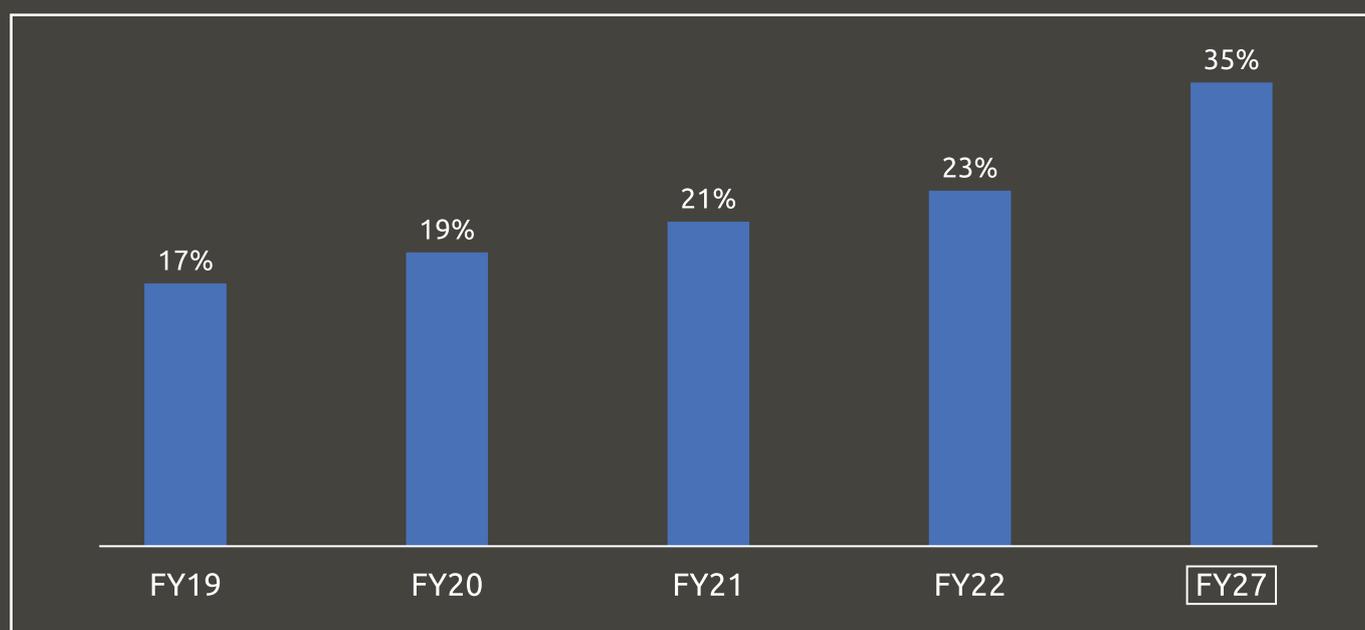
Gone are the days when a car in use for about a decade or 15 years was considered a used car. In today's world, used cars are no more than three –to-four years old. As a result, they are all well-maintained, and buyers see this as an incredibly fair deal. Therefore, the demand will hold and continue to expand at a galloping pace.

Buyers will continue looking for used vehicles for at least two reasons. One, there is a delay in the supply of new cars. So, if someone wants a car, (s)he may go for a used car, which can be obtained at a 30-40% discount. Due to deficiency of manufacturing new vehicles, exchange programmes are moving slowly and hence supply has been hampered big time. Without a shadow of doubt, the future of used car industry appears positive as more and more potential buyers, especially the youngsters, find it sensible and practical to buy a used vehicle for personal mobility, safety, value for money and due to availability of multiple choices.

The second reason is that new car prices are quite high in some categories. Furthermore, compared to pre-COVID19 levels, the demand for used cars witnessed an upsurge of 20-30% once India entered into unlocking phase. A substantial improvement in demand was seen in the southern parts, followed by the western parts, while demand growth was comparatively lower in the eastern parts. Meanwhile, if use of the vehicle is relatively limited, buyers will definitely opt for used vehicles. The supply is quite low, since financiers did not repossess many cars in FY2021-2022. Consequently, the supply ecosystem's quantity of cars sold is disturbed for all used car players.

There is no doubt that the digital organized used car platforms will assist financiers in disbursing more low-ticket sized loans and resolving the two issues combined. A surge in demand for used cars in FY2022-2023 is guaranteed.

FINANCE BY BUYERS IS INCREASINGLY SOUGHT



Source: car&bike Analysis

The buyers' key concerns are the time it takes to process a loan and delivery of a car, the amount of the loan, the duration, the lower rate of interest, and the pre-closure expenses. Online financing offers lower loan rates and a calculator that displays ROI, EMI, and other information. However, offline financing provides better trust and comfort since the loan executive contacts the customer physically for paperwork, collects documents at their convenience and the customer gets an immediate resolution to any queries. While online banking is speedier and provides a higher ROI, traditional offline loans provide more assurance.

3.7: WARRANTIES ARE NOW A FUNDAMENTAL RIGHT

Car buyers are increasingly looking for platforms who package their vehicles with warranties, with 48% planning to protect themselves against future engine and transmission problems.

About 65% of buyers believe that extended warranty aids in the development of a good and long-term connection with used car platforms. And almost 76% car buyers anticipate a two-year comprehensive warranty on the vehicles they plan to buy, and 90% are expecting roadside assistance throughout the warranty tenure.

At least 63% used car buyers intend to switch their used cars for another used car with organized used car platforms within three years to stay up with latest technology and OEM offerings. Buyers anticipate a 70% increase in resale value for used cars during a buyback transaction within a period of three years.

3.8: STRUCTURAL ISSUES WITH THE INDIAN USED CAR MARKET

Several trends and their effects listed below are influencing the Indian used car industry:

- 1. Durable & Quality New Cars:** Cars with longer shelf life have resulted in a bigger share in the used car market as well as a reduction in the possibility for service income during the first several years of a vehicle's life. During that period consumers are more likely to go to dealers for repairs. This is also causing the replacement cycle for cars to increase to four years. In the United States, the replacement cycle is three years.
- 2. Unsteady Supply of Cars & Increasing Channels:** Brokers continue to remain a dominant part of the value chain, but uncertainty remains with respect to inventory quality due to high usage and poor maintenance. Hence, organized used car platforms, which provide 360-degree visuals, with a detailed inspection report, and vehicle history records to reassure used car buyers, have made it simpler for customers to sell cars of various ages in the private market. Furthermore, unorganized dealers in India are facing competition from organized used car platforms, which, in conjunction with innovative business models such as AI-enabled phygital models, are retailing the most recent certified vehicles.
- 3. OEM Used Car Business Gathering Pace:** Increased availability of high-quality and latest-model cars is accelerating OEM used car businesses. The demographics of used car buyers are shifting, with an increasing share of older and higher-income consumers. Manufacturer-certified used vehicles command a considerable premium in the market and sell rapidly, consequently allowing dealers and manufacturers to enhance remarketing sales.

4. **Improved Consumer Awareness:** Consumers are exhibiting more mature, experienced, and sophisticated purchasing behaviours and awareness. This can be in part attributed to the availability of wealth of information in digital space. The latest trend suggests that most consumers have purchased and sold multiple cars and are increasingly choosy when it comes to purchasing used cars from unorganized dealerships.
5. **Lack of Skilled Labour:** Industry expansion and demand for used cars have increased the requirement for new trained labour for inspections, sales, maintenance, and repairs, resulting in sector upskilling.
6. **Changing Regulatory Landscape Shifting Winds for the Used Car Industry:** Three regulatory headwinds are enabling the industry to flourish while also fuelling the increase of old cars:
 - a. The BS6 emission standards have increased the pricing of new cars. Therefore, value-conscious purchasers are increasingly opting for used vehicles. Buyers are increasingly opting for certified used cars with the most up-to-date technology and safety features. The process of centralised registration with the 'BH' series can be targeted at making it easier to transfer a vehicle's registration from one state to another for used cars, thus allowing cross-state sales, and increasing registrations due to better inventory management. The digitization of the RTO transfer process will be a driving element in easing out the purchase and selling process.
 - b. The reduction in the GST rate from 28% to 12-18% has made cars cheaper for organised used car dealers. However, transforming the business from unorganised to organised by decreasing the GST further offers several benefits. More volume and lower tax rates translate to higher government income while controlling the market with decreased tax evasion. Another key area motivating buyers and sellers to use digital payments.
 - c. The last, but by no means the least factor is, continued focus on establishing legal rules for intermediaries in the organised used vehicle area, who are at the centre of used car transactions and transfer the car numerous times before it is officially registered in the name of the ultimate owner.

Despite challenges on several fronts, there are enough reasons for us to remain upbeat, hopeful, and optimistic about the future of used car industry!



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PART B

ANALYSIS OF THE INDIAN BUYERS' MARKET

The IBB Report gathered and analysed the data for this study. The research study, which was done in partnership with car&bike and Das WeltAuto, is an in-depth analysis and interpretation of seller, buyer, and dealer behaviour in the Indian used car industry. This methodical study gathered relevant information and data from 1000 respondents from Metro and Non-Metro cities in India.

One of the major findings of this study was that regardless of global trends in the used car industry, each country has its distinctiveness and some startling parallels, too. India's used car market is as robust as Germany's, as the average age of vehicles on the road continues to witness a steady decrease.

Thanks to India's state of economy, consumer confidence appears to be on the ascendancy in recent years. Global economic recession has had little impact on India's growth story, thus paving the way for boom in country's used car industry as well. The study also demonstrated that personal contentment and societal image remain two guiding factors that motivate an Indian purchaser to own a car with a sense of pride. Given the demands of dynamic lifestyle and increased expectations, car buyers in India are showing enthusiasm to purchase a used car.



4: FEATURES OF THE INDIAN USED CAR BUYERS' MARKET

4.1: REWARDING EXPERIENCE OF OWNING A USED CAR

When compared to India's counterparts in Germany, the USA, and France, India has a high percentage of used cars that are more than four years old. However, the Indian market for used cars is rising. The average car age has reduced by 33% from six years in FY2010-2011 to four years in FY2021-2022. Cars in India change hands five times during their entire lifecycle before being scrapped. The average age of a car is substantially lower in the United States, where the average number of car owners until abandonment is 10. The following chart explains the bigger picture.

AGE OF USED CARS DECREASING SINCE '11



Source: car&bike Analysis

Some of the reasons why a purchaser in India is motivated to buy a used car than a brand-new vehicle are excruciatingly high prices of a new car, slower depreciation on used cars, reduced insurance costs, and category upgrading for a fraction of the cost. This clearly suggests that consumers' need for trust formation-- whether through interacting with organized platforms for late-model cars or social networks for older used vehicles-- remains critical. Vehicle age is expected to decline further to 3-3.5 years by FY2026-2027 due to volume growth in the leasing and subscription categories (estimated CAGR of 20% versus new car CAGR of 7% versus used car CAGR of 13%) and on account of better cars, safety measures, and much improved road infrastructure. No wonder then, it is expected that revenue of India's used automotive industry would witness a five-folds increase and possibly reach the \$120 Bn GMV mark in the next four-five years. This, of course, is massive.

However, as compared to unorganized dealers, organized used car platforms are more eager to deal with newer cars. This is especially true in both metros and non-metros, where 65% of used cars sold are less than four years versus 75% the previous year. Given an option, 78% of consumers choose organised players for they have placed trust and are, in turn, provided certified quality cars.

CUSTOMER SPEAKS

For me, buying a used car means getting all the essential benefits at a very affordable price.

Another advantage of buying a used car is that my better half or my buddies too can use it for learning and fun drives. So, why not!!

I want to drive a used car for two years and then buy another used vehicle for two more years and perhaps then upgrading to a brand-new car.

Given my budget at the moment, I want value for money. Why not buy a used car which has more to offer.

Used car is the answer to many of my problems. Right from commuting to work to going out.

Me and my dad both have a bike. For family functions, we travel separately, but once my car comes home all four of us can go together.

4.2: CHANNEL PREFERENCE OF INDIAN BUYERS

Buying a car means much more than just personal mobility. Our research confirms that personal fulfilment and societal image enhancement are the additional benefits of owning a car. Apart from safety and comfort, and personal mobility, buyers feel that their purchase also elevates their social status. Owning a car means confidence for some. With rising expectations and urge to make a statement in society and also at the workplace, Indian car buyers are exhibiting a readiness to buy used cars. According to the survey, 15% of used car purchasers are women who are comfortable shopping in a phygital mode, a threefold rise from FY2020-2021.

Given a choice, 78% buyers avoid buying from unorganized players due to a lack of trust and the fear of being sold a lemon vehicle. Buyers expect an integrated customer experience, from quality content during discovery phase including inspection reports, to reserving and taking test drives at a convenient location and being given an instant cash offer for selling vehicles with minimal hassle in a stress-free environment.

Personal interactions in dealerships continue to dominate the information-gathering process for many consumers. Although convenient, the process of purchasing a vehicle online still alludes many consumers' technical abilities and know-how. The final decision, therefore, may lead to an in-person purchase. That said, obtaining hassle-free information online is gaining traction.

In addition, car buyers trust organised used car players in both Metro and Non-Metro cities due to increased loan availability, availability of used cars in excellent condition, and strong after-sales support.

The Northeast and East zone of India continue to lag in the adoption of digital channels that facilitate transactions, underlining the enormous opportunity to move from conventional channels to digital avenues.

Buyers are expecting an integrated customer experience, from quality content during discovery phase, including inspection reports to reserving and taking test drives at a convenient location and being given an instant cash offer for selling vehicles with least hassle. This has led to a spurt in multiple channels through which buyers can complete transactions. This is primarily attributed to purchasers' strong price focus.

As a consequence, the unorganised market's poor 'value for money' reputation spurred the C2C industry. Because of a lack of confidence in the C2C segment, as well as the cost of paperwork and warranty coverage, the market has shifted to purchasing through organised used car platforms, which bridge the gaps with transparency and trust. The direct (C2C) channel has been mainly buoyant since FY2010-2011. While the organized platforms have witnessed a surge in growth, the disorganised channels, on the other hand, have been steadily declining.

4.3: THE CONSUMER PURCHASING BEHAVIOUR

Compared to the purchase of a new car, the process of purchasing a used vehicle is often a faster process. Buying a car is not a compromise, rather it's a choice. Hence, price, model type and incentives are significant to Indian buyers when purchasing used cars. A used car purchase takes two-to-three months on average, compared to three-to-four months for a new car. While making a purchase, buyers have a plethora of alternatives. Nonetheless, 95% of Indian buyers begin their research journey online for thorough car information, price, finance, and insurance. More than 85% of used car buyers use third-party comparison sites, OEM websites, and multiple social media platforms to research all vehicle specifications before deciding on which brands to buy. Although convenient, the purchasing of a vehicle online still eludes many consumers' technical abilities and know-how. It must be noted that offline dealerships provide the second level of validation. Hence, personal interactions in dealerships are bound to lead the information-gathering process for buyers.

Multiple online-offline platforms are likely to co-exist in this market across vertically integrated business models, reflecting the global trend of mapping supply-demand challenges with innovative tech-led solutions and reducing buyer pain points.

MITIGATING THE PAIN POINTS OF BUYERS



Source: car&bike Analysis

While platforms are striving to be lay emphasis on a buyer, the global setting is favourable to India as 60% buyers settle on a brand and model before visiting a dealership. This decision of theirs is based entirely on the information received from online platforms with 50% buyers using digital platforms to watch online videos of test drives, walk arounds, demos, and opinion Vlogs. During the research phase, the first-time car buyers are likely to spend five-to-seven hours online, with budget and manufacturing year of the vehicle taking precedence. Second-time car buyers are more likely to spend two-to-three hours online during the research phase. Their focus appears to be on make, model, and manufacturing year etc.

The research study discerned that Indian car buyers use the online mediums to do five things: conduct research on car costs (60%), identify actual used cars for sale (65%), compare different models (67%), figure out the worth of their present car (75%), and locate a dealer or acquire dealer information (60%). Indians prefer entry-level used cars which are seen to be safer than two-wheelers, as they are less prone to accidents. Therefore, buyers prefer opting for low ticket deals to meet their mobility needs.

4.4: USED CAR BUYER PROFILING

Confident Consumers & Their Informed Choices

No two consumers are alike. It is only human to be different. A decade ago, many consumers would depend heavily upon local dealers and brokers or even friends and acquaintances to buy a used vehicle. At the time, there was obviously less exposure to knowledge and the customer awareness had not reached its pinnacle. Sadly, many cases of cheating and fraud would be reported from India's Metro and Non-Metro cities. There was reliance on mechanics, too.

However, as soon as reliable digital players emerged on the scene, the market began showing a positive development. Five years later, post-2015, the digital explosion made car buying experience rewarding and pleasing in more ways than one. Not only did the exposure to knowledge enhance manifold, but a customer also became more confident and began placing trust in online platforms and organised platforms while making an informed choice of buying a used car.

In the last two years, from 2020 to 2022, more digital transactions and transparent offline experiences resulted in fewer fraudulent cases. This is, indeed, a win-win situation for one and all.

Needless to say, the pandemic catapulted the approval and need for used vehicles for personal mobility, safety, status in society and friend circles, and also the style statement. We at car&bike and Das WeltAuto are convinced and confident that the future of the used car market remains safe, secure and largely optimistic.

Delightful Diversity

For some customers, buying a used car simply means personal comfort and a reason for family bonding while, for others, it could mean an enhanced image in the society and value for money, too. For the latter category, 'everything is image and image is everything.' Moreover,

for one set of customers buying a used car gives a lift to their mood, and they perceive this experience as an elevation in their lifestyle. Yet another set of consumers is driven by budget and affordability while, for some others, buying a used car means a dream come true. There are also buyers for whom the experience of buying a used car is all about convenience, stress-free travel, and low maintenance cost.

Interestingly, an increasing number of young adults and millennials are making the prudent option to purchase used cars at low costs. One remarkable point made by many youngsters was that they do not feel any psychological pressure to buy a new car. They asserted that they bought used cars with open arms and won't hesitate to do that again. When it comes to distinct choices by customers to buy a used vehicle, we can call it a delightful diversity.

Comfort, Convenience and Contentment

Our research study points out that one of the biggest motivations for buying a used car is affordability; the human urge to save money and seek value for the same. It was also observed that many customers are not fond of long waits for delivery when it comes to buying a new vehicle. Therefore, as our research shows, such a category of consumers prefer buying a used car instead. The idea of an opportunity to be on the wheels almost immediately gives such consumers a feeling of instant pleasure and contentment. It also means comfort and convenience. There is also a type of consumer who wants to first polish their driving skills while operating a used car and then decide about buying a new one. While buying a used vehicle, many consumers are of the opinion that they have more choices; not the case when it comes to buying a brand-new car.

Be that as it may, the mindset of consumers in relation to used cars was in some ways identical across many Indian cities but there were stark differences as well. In the southern part of India, for instance consumers in Kochi appeared more open and up-front about owning a used vehicle. The impression was not the same in cities like Mumbai. In some Indian cities, societal impressions do influence decisions.

To make it easy to comprehend, our research study pointed out that for a set of buyers, their profiles, diverse motivations, different requirements, their monthly income, socio-economic status, and aspirations determine their choices to buy an average or higher end used car.

4.5: KEY BUYER PERSONAS

Car buyers working as salespersons, junior executives and accountants —most of them not married yet—with a monthly income ranging from INR 45,000-75,000, show a tendency to buy used cars for typical rough and tough use. They generally appreciate the fact that minor scratches and general wear and tear won't matter much on a used car. They are not yet financially equipped and mentally geared up to own a brand-new car and want less stress in their life. For them, professional career growth remains a priority rather than buying a car while acquiring loans from the banks. Their relationship with a used car can be best described as casual. This group of buyers is known as **'Value – Functional Entrants.'**

Another set of young car buyers with a monthly income between INR 75,000 and 100,000 need a car for utility and conveyance. Research depicts that this category of buyers comprises just married or still unmarried persons, working in the capacity of assistant managers, managers in Information Technology firms, banks or corporate sector. They are done with travelling in three-wheelers or waiting at the metro stations. While choosing a car model this category relies on digital platforms. They do consider their budget constraints and tend to make an informed choice while buying a used car. They do take good care of their vehicle, often wash it themselves, and take reasonable care as far as the vehicle's maintenance at regular intervals is concerned.

Our research also shows that this category of persons is generally very ambitious and industrious. This category is referred to as **'Social Climbers.'**

Another set of buyers have higher monthly incomes than the above two categories. They are either small business owners or mid-career professionals. Generally, members of this category are married and have one, two or more children. Their monthly income ranges from INR 100,000 to 150,000. The motivation is to provide comfort for the family, especially kids. Some of them pick and drop their kids to school and/or tuition centres. They treat their vehicle as one of the family members and tend to take decent care to maintain the vehicle's working condition. They do a lot of research before buying a used car and generally have a preference for cars in most excellent conditions. We dubbed this group of buyers **'Quality Seekers.'**

One more type comprises buyers with a monthly income over INR 150,000. They occupy senior positions in their professional life. The aim seems to impress and make a statement of upward mobility in society. They nurture a passion for automobiles. They will not use used cars for more than three years. After using a certain model for about two-to-three years, they choose an upgraded version because they are fond of making a style statement. We termed this cohort of purchasers **'Loftier Individualists.'**

Yet another set of car buyers belong to higher socio-economic ladder with a monthly income exceeding INR 250,000. They go for regular servicing of the car and wash it as often as possible. While buying a used car they often opt for higher-end models. Not only do they need a car for their personal mobility and business meetings or social gatherings, but they also need the vehicle to show what they own. They are assertive, aspirational, and energetic. These individuals are more sophisticated and are labelled as **'Stylish Alphas.'**

Openness to Acceptance

The flexibility to accept 'used car' ownership was higher among buyers who buy the car for individual & family utility over social recognition. Acceptance openness is inversely proportional to cost rationalization. Value – Functional Entrants, Social Climbers and Quality Seekers are early adopters in the category. This is followed by Loftier Individualists and Stylish Alphas whose motive is less towards acceptance and more towards showing off or to fit in.

Speed to Purchase

Value - Functional Entrants and Social Climbers make decisions faster, from planning to purchasing a car to being less stringent in evaluating and selecting which car to buy and where to buy it. Quality Seekers, Loftier Individualists, and Stylish Alphas take significantly longer to make a decision since they are exceedingly diligent and selective.

4.6: GEN Y IS FLEXIBLE, GEN X PRIORITISES PERFORMANCE

First-time Gen Y [1986-1996] millennial buyers are more likely to seek experiences than possessions as they are flexible. These prospective customers see used cars as utilitarian vehicles that also provide comfort. It has been observed that Gen X [1965-1980] purchasers buy used cars for features such as power and pickup, fun to drive, and overall performance. They are more likely to consider cost-effectiveness. In short, performance is their priority. The three negative perceptions and pre-notions held by society around the discernment of used cars, are being smashed by late millennials

- **Elders still have a long-held prejudice towards acquiring second-hand materialistic possessions.** Most parents/elders in the home still have a negative attitude against having any used cars. They frequently serve as gatekeepers in the purchasing process, but their effect on our consumers is near minimal.
- **Youth are less secretive and welcome used cars with open arms.** Most people are aware of the fraudulent practices that occur in the used car market. However, this does not discourage consumers from purchasing a used car, especially with prominent manufacturers entering the used car market. If a used car is chosen after proper screening, the apparent benefit outweighs the risks involved.
- **Many are reluctant to identify themselves as used car owners.** Even though millennial buyers are increasingly open to buying used cars, they still feel judged by society for doing so. They only feel safe admitting to a small group of close friends who they believe will not judge them.

The majority of buyers are young males between the ages of 25 and 40. They are mostly graduates working in junior and mid-level management roles in private sector or are self-employed.

4.7: FEMALE CONSUMERS' EXPECTATIONS

Statements that women are breaking gender stereotypes and glass ceilings are clichéd. Such worn out assertions do not make sense anymore, as women are making a statement of their own in every field, and in every aspect. Car buying can be a vastly different experience for a woman in comparison to a man. No hyperbole, it is becoming a woman's car-buying world out there!

Women purchased roughly 15% of all used cars and influenced over 77% of all used car sales. Women buyers would rather deal with women salespeople at the dealership.

Perchance it should come as no surprise. But there is a need to hire and place more women on the dealership sales teams and train male employees in the behaviours and outcomes most desired by women buyers.

Reality versus Perception

If perception is the buyers' view of reality, the gender difference is substantial. Women who participated in our survey said they felt calmer and more confident while interacting with a female sales adviser. They also said they felt less intimidated and 'overwhelmed' when interacting with a female salesperson.

"It's reasonable for buyers to be worried and nervous about purchasing a car, for it is a major purchase in anyone's life," this quote based on our finding so beautifully captures the emotion. The advisor can make a significant impact during the purchase journey.

Relationship Building & Higher Emotional Quotient

We discovered that pricing is significant, but women rank it lower since they feel they can get the same car for a lesser price elsewhere. Women advisors were ranked higher in all aspects of building a successful connection, including trustworthiness, respect, congeniality, and understanding.

Women buyers value a salesperson's ability to listen and not use her influence or position during the buying process. A successful sales consultant greatly values a customer. With a high Emotional Quotient, (s)he appreciates that their role is to assist and lead the buyer truthfully. Despite this, one of the most basic behaviours turns out to be one of the most bothersome, too, with more than three out of five respondents expressing displeasure with how they were welcomed in the first place.

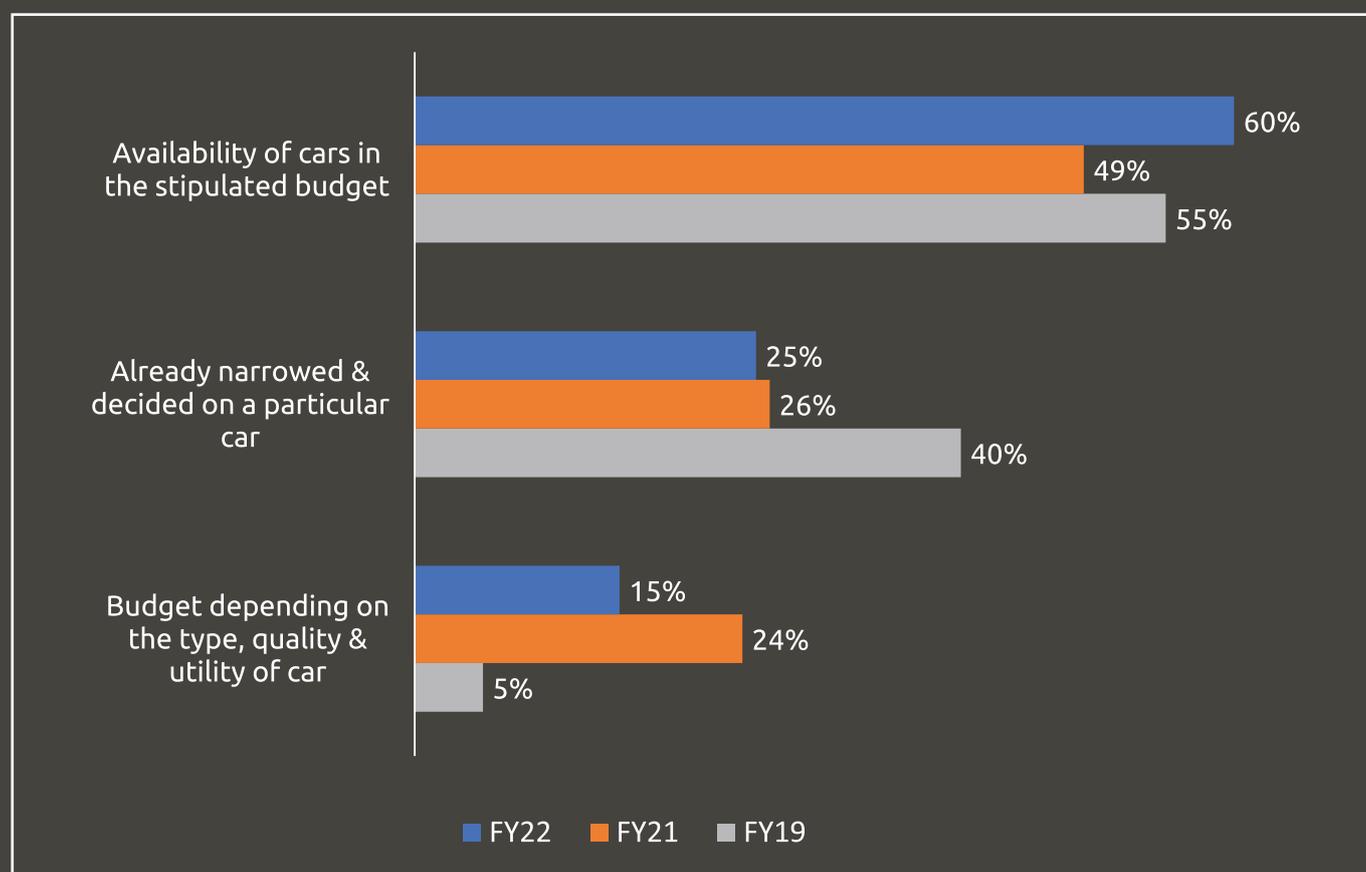
This, obviously, needs a reform.

5: IMPORTANT FACTORS SWAYING VEHICLE PREFERENCES

Due to Covid19 pandemic, the number of price-conscious buyers has risen since last year while the number of purchasers willing to increase their finances for a higher-quality vehicle has fallen.

Nearly 60% of used-car buyers go for used cars within a specific price range and are open to a variety of options. This is followed by 25% of respondents who are certain about the car model. During their purchasing process, they do not look at any other models. They are so specific. This is closely followed by 15% of respondents who are willing to adjust their budget based on the condition of the car they discover. This figure has dropped slightly from 24% in FY2020-2021 to 15% in the last one year alone, indicating that used car buyers are no longer looking at the acquisition of a used car with a short-term lens.

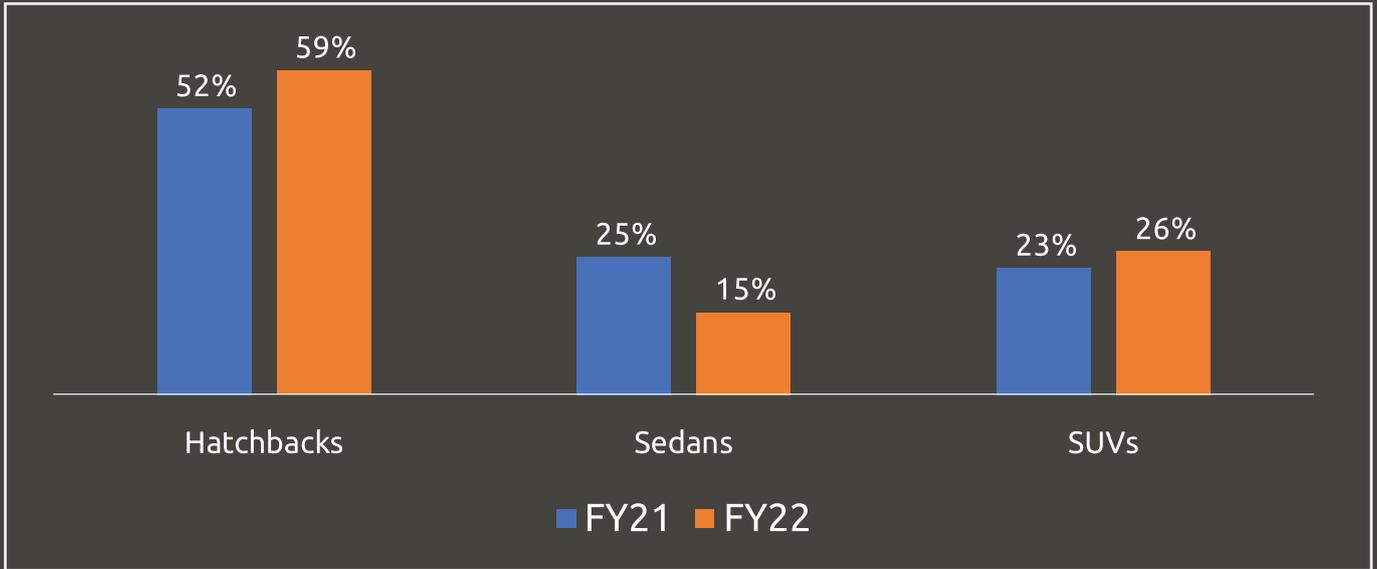
HOW BUDGET AFFECTS THE ACTIONS LEADING TO THE PURCHASE



Source: car&bike Analysis

According to the study, a vast majority of first-time car buyers (59 percent) prefer a Hatchback or Sedan, mirroring the same category demand for new cars. Used SUVs are becoming more popular as a second vehicle due to their increasing availability as compared to FY2020-2021.

THE TYPE OF CARS PURCHASED BY INDIAN CONSUMERS

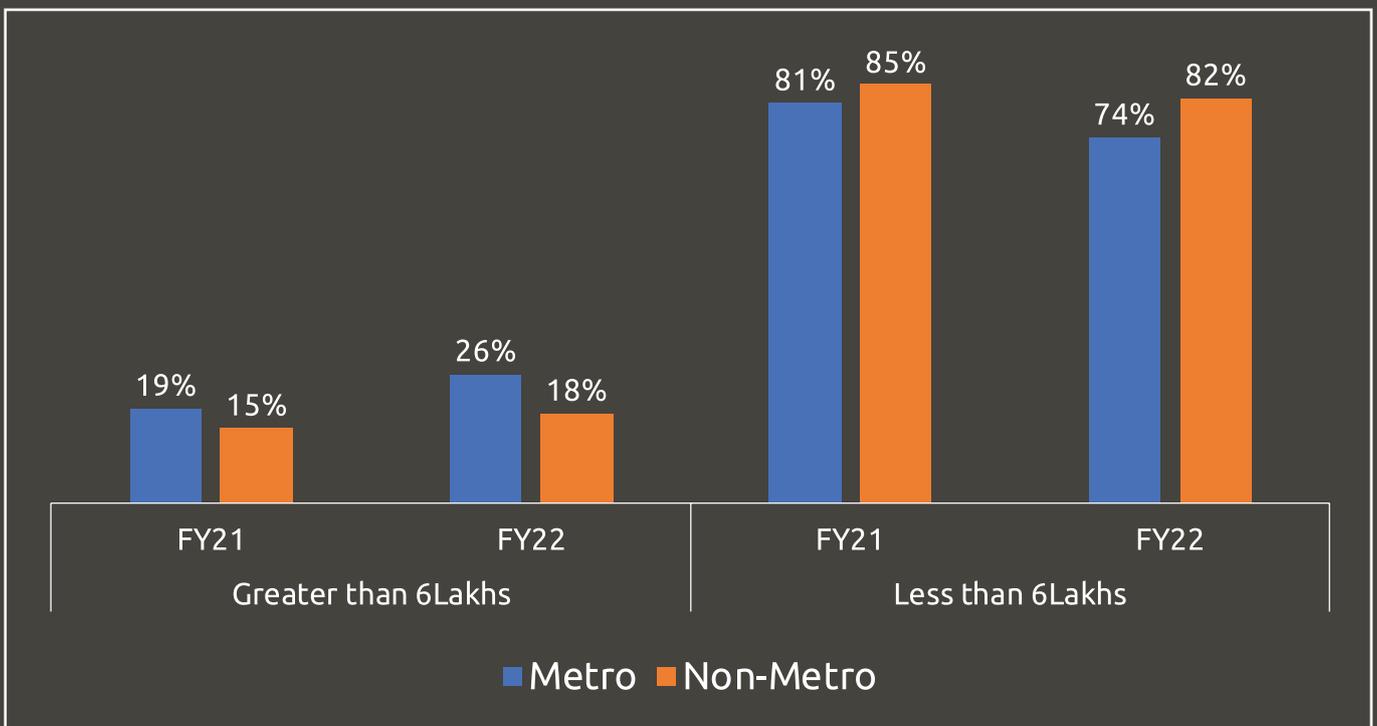


Source: car&bike Analysis

The cost of entry-level used hatchbacks under six lakhs has increased, but there has been no obvious effect on the cost of used mid-premium cars costing greater than six lakhs.

In FY2021-2022, a sharp increase has been observed in shift of buyers moving from mass market to mid-premium cars majorly across Metro cities due to higher purchasing power and greater availability of vehicles across dealerships.

COMMERCIAL VALUE AND PREFERENCES HAVE CHANGED ACROSS MARKETS



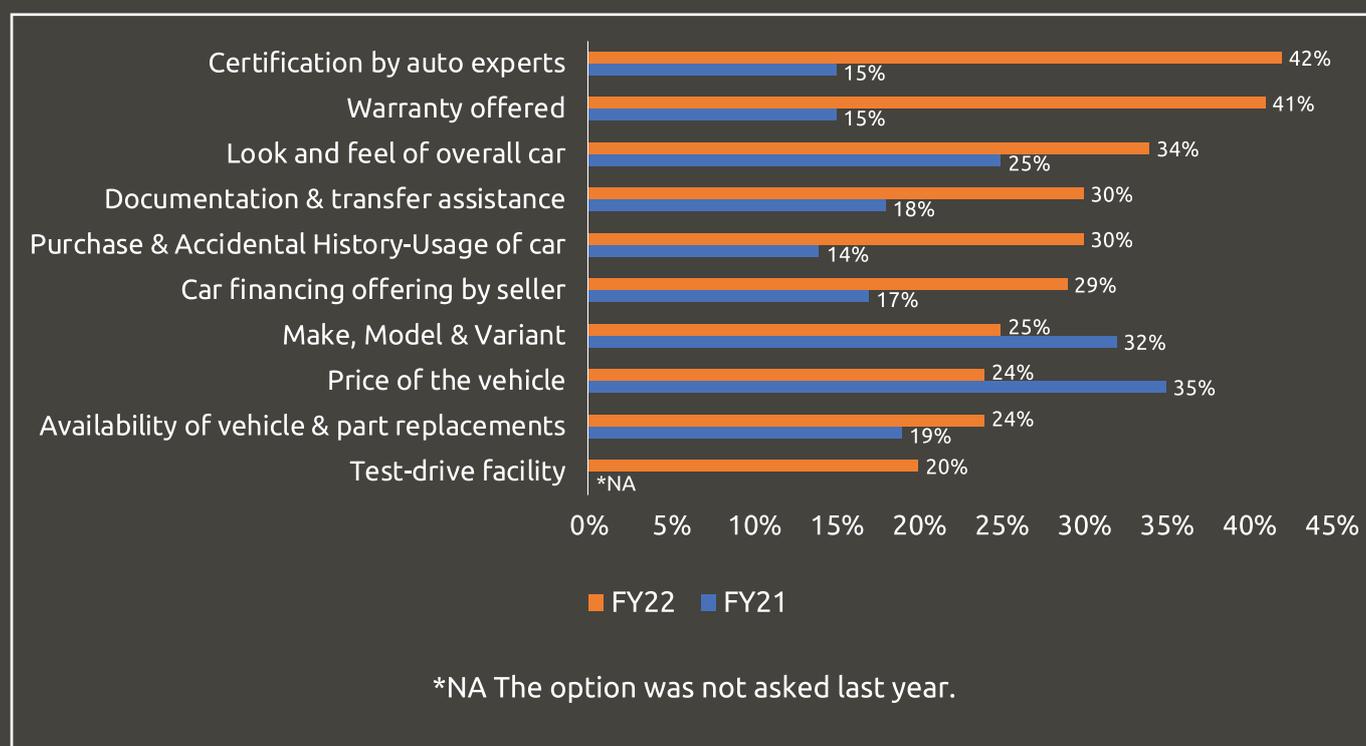
Source: car&bike Analysis

Many buyers are purchasing a car for the first time, but this proportion has decreased by 11% from previous year, showing some level of buyer maturity. According to survey results, car buyers in Non-Metros (64%) are more likely to acquire a used car as their first car than buyers in Metros (55%). Non-Metros cities account for 65% of used car demand and have a CAGR of 30% which is three times that of metros.

Organic searches on digital platforms for 'second hand car', 'used car' and other similar keywords increased by 60% between FY2020-2021 and FY2021-2022, as personal mobility came back in focus post COVID19 pandemic. Contactless experience of booking test drives before purchasing a used car is preferred by 70% of Indian buyers

Three crucial elements have been mainstreamed during used car purchases, in decreasing order of importance: Certified vehicles, warranty, and comprehensive vehicle history.

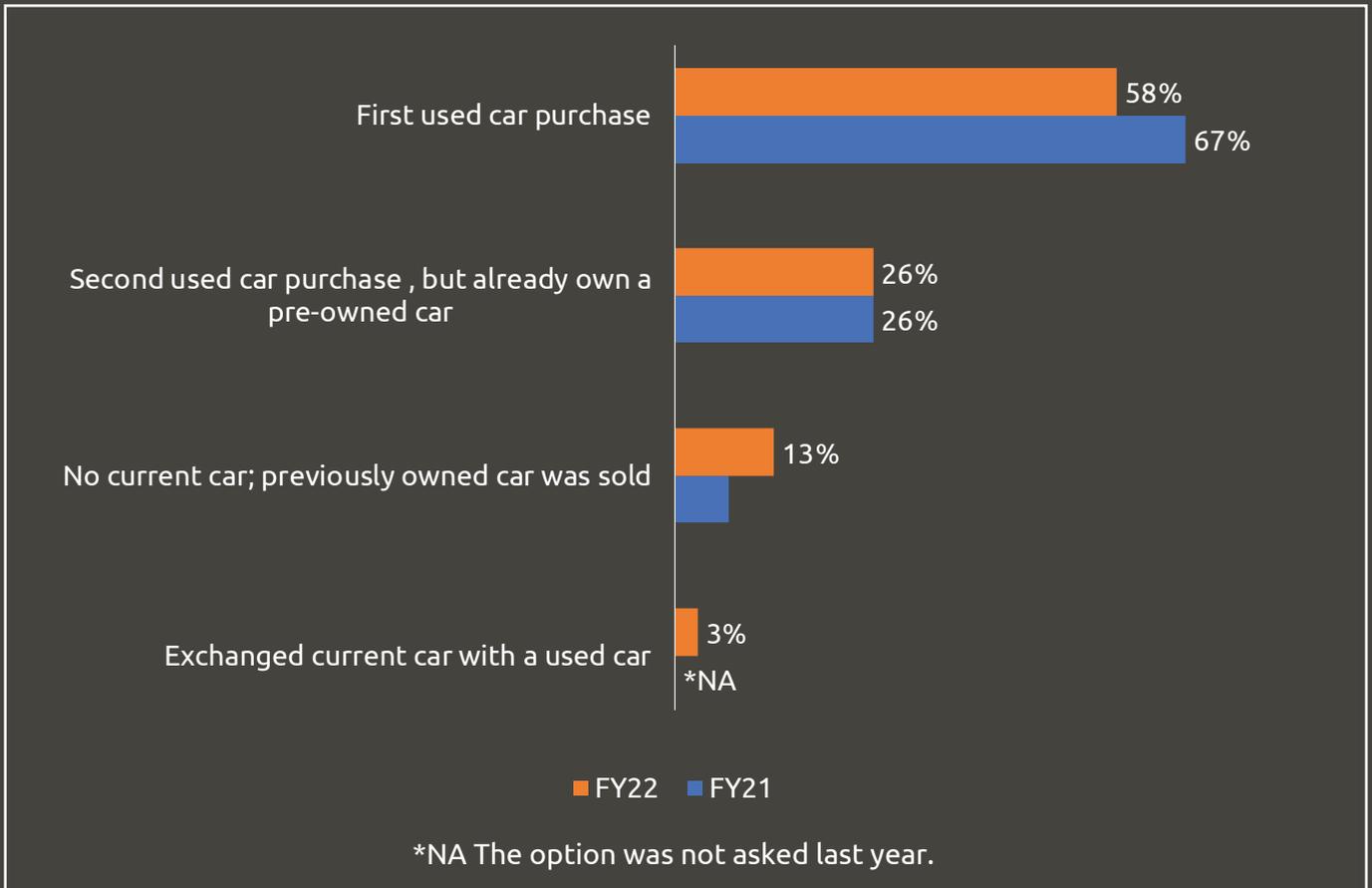
WHAT INDIANS CONSIDER WHILE PURCHASING A USED CAR? (MULTIPLE RESPONSES)



Source: car&bike Analysis

A swift increase of digitization and importance of personal mobility have placed new demands on used car platforms, allowing 58% of first-time car buyers to purchase a vehicle in FY2021-2022. As a result of this, 65% of car buyers indicated that buying a used car was their "option/choice."

VARIED FACETS OF THE INDIAN USED CAR BUYERS

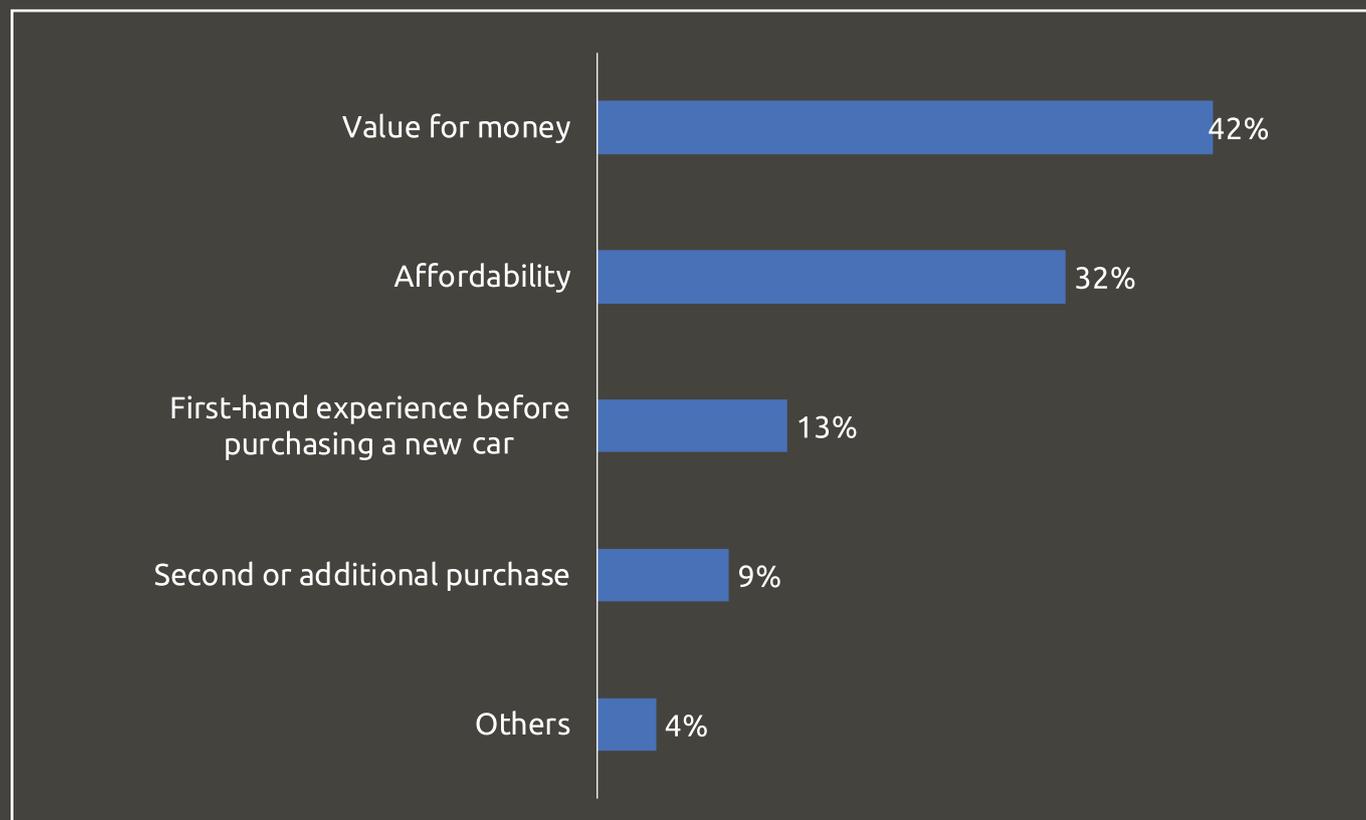


Source: car&bike Analysis

Indian used car platform technologies and offerings are at various stages of maturity and market readiness, but they are generating exceptional interest from car buyers in Non-Metro cities, who are (three times) more likely than car buyers in Metro cities to upgrade to the latest used vehicles within a period of three years. Since car ownership is on the rise, more and more Indians are eager to trade in their vehicles for another used vehicle. As a result, it is critical for these organised platforms to create a compelling trade-in offering plan to attract repeat purchasers.

More than a third of car buyers considered used cars due to value for money and affordability. Used vehicles are becoming more popular than ever before among car buyers for its functional use.

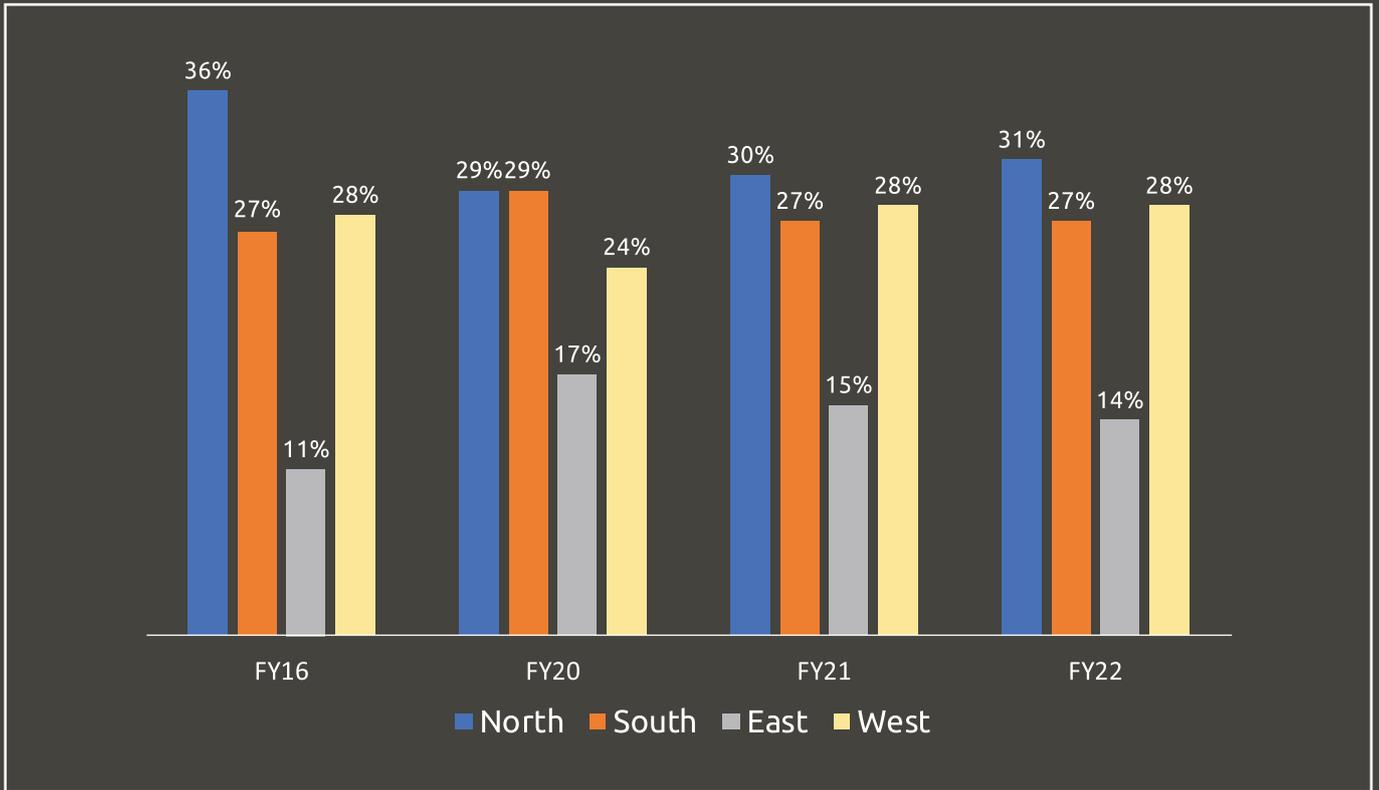
FACTORS DEFINING THE PURCHASE OF USED CARS



Source: car&bike Analysis

Due to India's gigantic geographic size and unequal distribution of supply and dealer networks, used-car sales by volume are not uniformly spread among the four zones. The zonal volumes have shifted in recent years. The lion's share is acquired by the North, West, and South zones. In terms of used car market numbers in India, the East is trailing behind. The NCR is generating significant volumes in the North, but it is more evenly distributed among other states in the West and South. The North zone continues to provide the greatest share of total volume in the used car industry, at 31% as of FY2021-2022. Conversely, this has decreased from 36% in FY2015-2016.

WHERE DO INDIANS BUY MOST USED CARS?

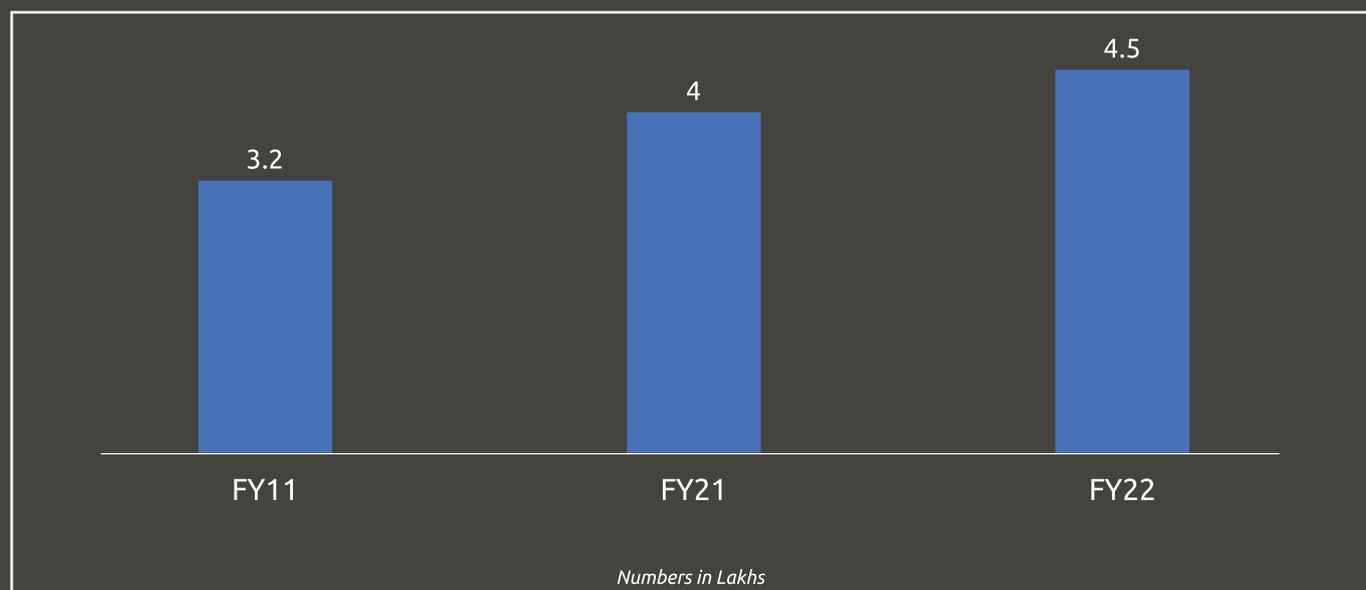


Source: car&bike Analysis

With considerable amount of savings along with the assurance of certification and warranty, buyers get almost all the benefits in a used car that one would expect when buying a new vehicle. But because of the unequal distribution, the demand for old cars has been higher than predicted with buyers paying up to 20% more on average compared to last year.



USED CAR PRICES ARE RISING



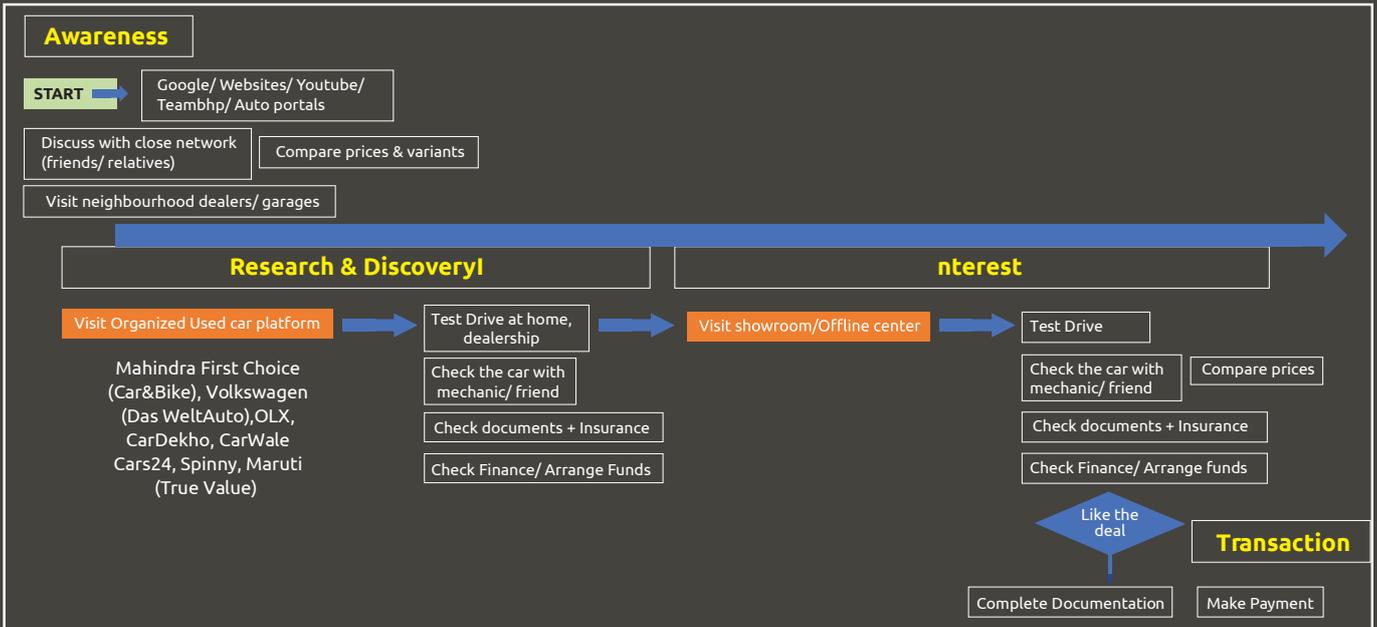
Source: car&bike Analysis

5.1: CONVERGENCE OF ONLINE RESEARCH AND OFFLINE TRANSACTION

In India, the phygital coupling is transitioning in a similar fashion as developed markets. At least 35% of Indian car buyers prefer to transact via phygital platforms, commencing their journey with online research and leveraging dealership touch points to close their transactions, compared to 65% of respondents who choose to buy directly from dealers within 15 kilometres of their residences. India is fast becoming a hub for used car buyers.

In essence, test drives are a key component as far as car buyers are concerned. During their transition from online to offline shopping, they so desire to touch and feel the certified used vehicles. In Metro and Non-Metro cities, over 65% of test drives are still performed at dealerships. Before making a purchase, buyers take 2.4 test drives when considering organised players, compared to 1.5 test drives when evaluating unorganised players. This indicates that consumers find comfort in purchasing from organized players.

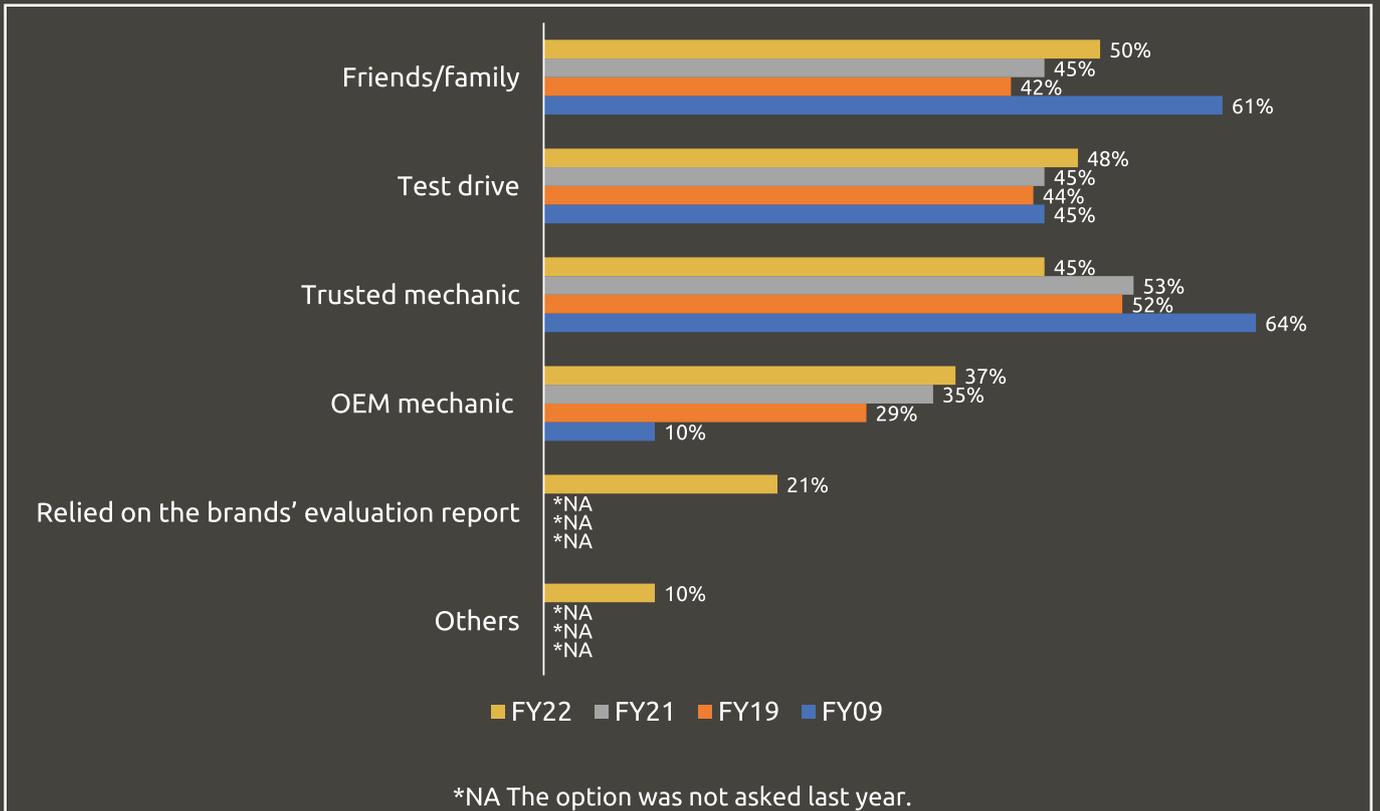
THE PURCHASE JOURNEY



Source: car&bike Analysis

There is a varying level of influence across different aspects of the car-buying experience. During vehicle inspections, buyers were assisted by their close circle (friends, family/relatives). Moreover, they have increasingly been getting vehicles inspected by an OEM mechanic. This growing trend of bringing in expert mechanics is expected to rise, signifying that more and more customers will start interacting with organised channels of the used- car industry during their purchase process.

PARAMETERS INFLUENCING BUYERS DURING INSPECTION JOURNEY (MULTIPLE RESPONSES)



Source: car&bike Analysis

5.2: THE DOMINANT INFLUENCERS: FAMILY AND FRIENDS

Close family members and friends wield tremendous influence (50 percent or more) on car selection. Their opinions count and act as a catalyst for searching on the appropriate platform. Spouses and parents also do play a key role in settling on the budget while pals are critical in the selection of make and model.

THE FACTORS BUYERS GET INFLUENCED BY WHILE PURCHASING A USED CAR

Overall										
Areas	Choice of car make/model		Budget & Financial Factors (Not commercial matters)		Choice of color		Choice of accessories (Not choice of accessories to put)		Technical matters related to car	
	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22
Influencers										
Family	54%	29%	57%	81%	55%	83%	52%	56%	45%	45%
Friends	60%	69%	35%	14%	43%	12%	37%	23%	42%	23%
Car review sites	14%	2%	15%	6%	16%	6%	22%	11%	16%	7%
Social media	26%	3%	23%	3%	22%	3%	23%	11%	21%	10%
Mechanics	18%	1%	20%	1%	14%	1%	26%	10%	25%	22%

Source: car&bike Analysis

Surprisingly, 30% of buyers in Metro cities and 12% in Non-Metro cities make their own purchasing decision when buying a used vehicle. When it comes to purchasing car accessories, 22% are likely to be persuaded by auto content websites. Cashback incentives were also important for Indian used vehicle customers. Interestingly, a significant majority of buyers availing a loan/finance in Metro cities happen to be persons in senior/top management positions employed either in government or in the private sector, and self-employed professionals (traders/merchants/shop owners/biz owners). At least 30% of buyers from this category did take a loan/finance to buy a used car.

Going forward, skilled OEM mechanics and test drives at a location of choice will play a major role. Digital platforms like YouTube and Instagram are significant influencers when it comes to buying a used car, and they are progressively gaining more traction.

Buyers wield a lot of influence on their expectations regarding how used car platforms should handle customer experience in a phygital setting. They anticipate a simple used car search on the internet, with a variety of cars to choose from along with multiple filters and the ability to test drive at their preferred location while the remainder of the transaction is handled offline.

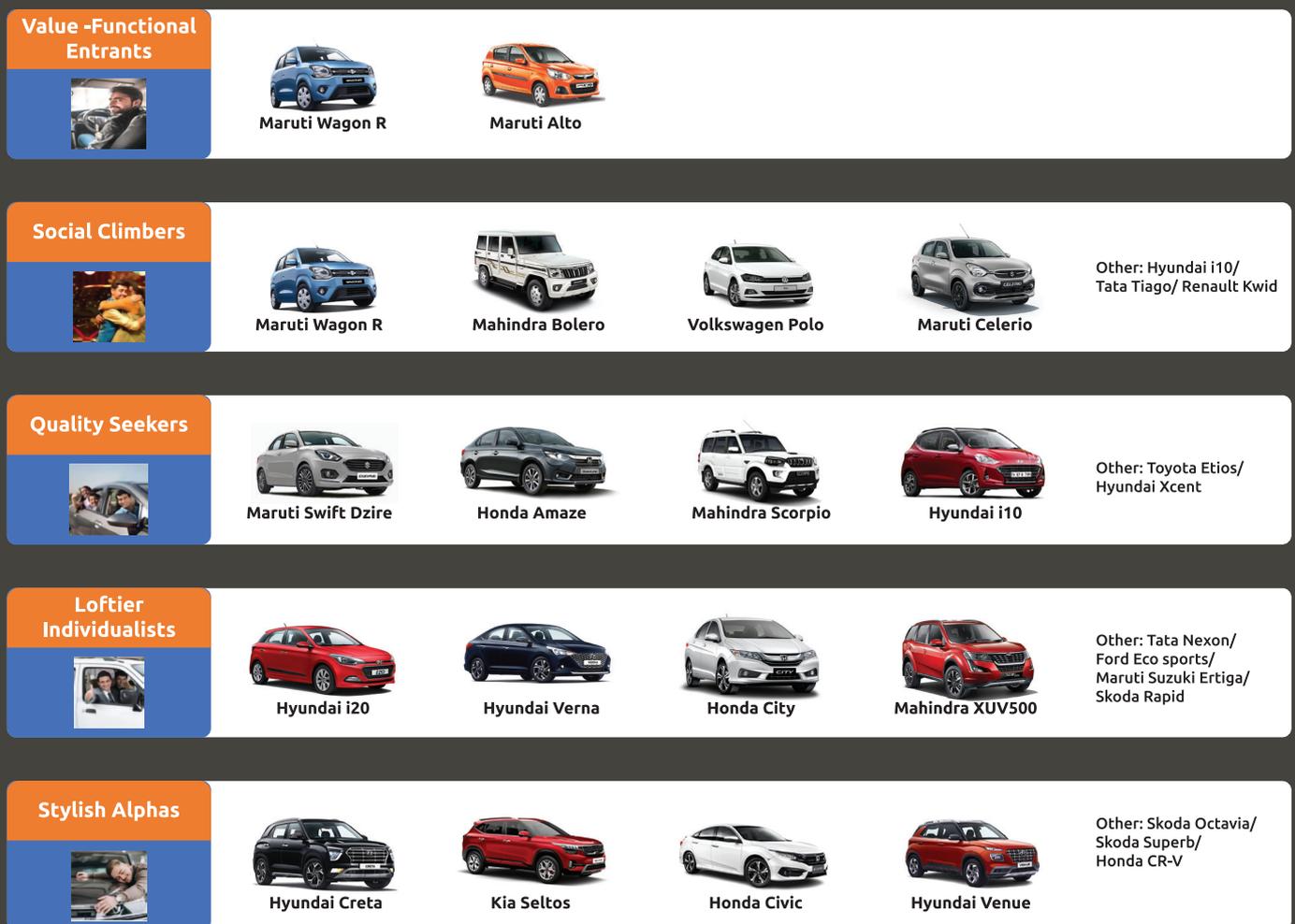
When it comes to buying used cars online, some customers vociferously voice their concern in the event of a bad experience. Overall, customers who remain silent are likely to be the most bothersome for businesses. As a direct consequence of this, used car platforms could eventually suffer a loss of loyalty.

Thus, the used car industry has reached a fork in the road. One path leads to reinvention of the online research journey while the other maintains an offline presence of dealerships to be in control of the customer experience. Additionally, organized used car platforms have boosted their spending in advertising and technology as well as a range of value-added services.

5.3: USED CARS PREFERRED BY INDIAN BUYERS

Buyers are certain of the vehicle brand, model, and variant before entering a dealership, and we highlight the preferences of Indians purchasing used cars below depending on the buyer profile segment. The top ten cars purchased by Indians in FY2021-2022 were Maruti Swift, Maruti Alto, Maruti Wagon R, Maruti Dzire, Hyundai i10, Hyundai i20, Mahindra Scorpio, Mahindra Bolero, Honda City, and Renault Kwid.

SEGMENT WISE BRAND AFFINITY

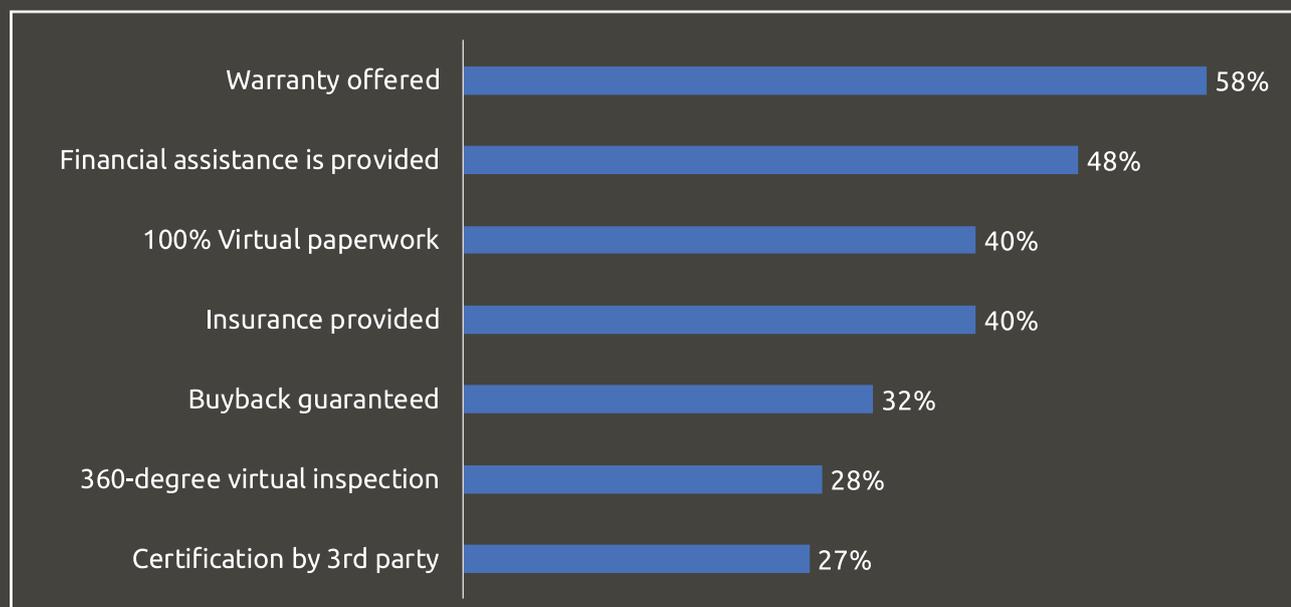


5.4: VALUE ADDED SERVICES: AN AGE-OLD NEED

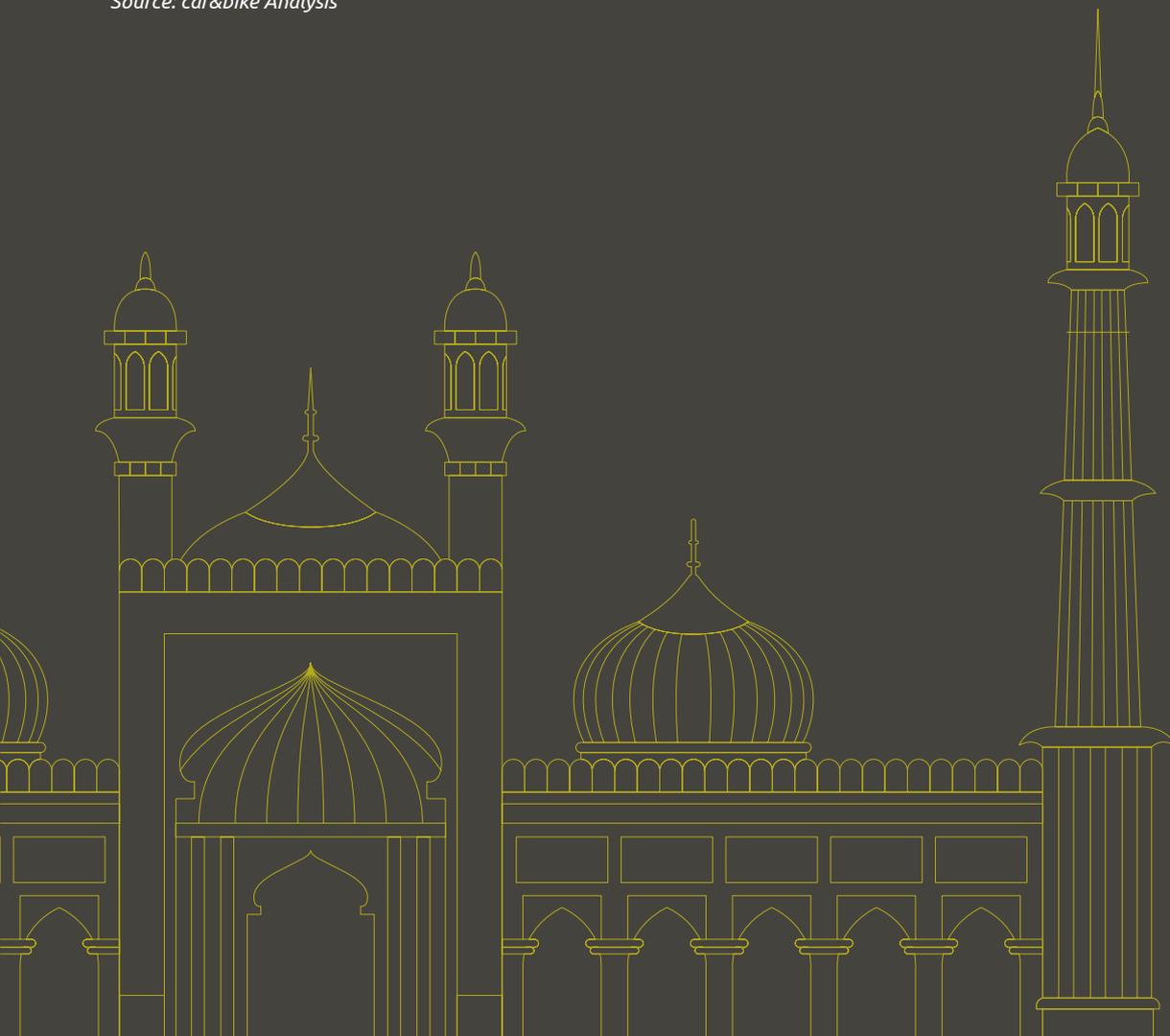
Consumers in Non-Metro cities valued the option of extended warranty coverage or service more than buyers in Metros. This might account for the increased proportion of consumers who want to purchase a certified car. To entice used car buyers in droves, organized used car platforms are deploying the latest technology and innovations such as digital buying experiences, doorstep test drive and delivery, extended warranties, and easy financing alternatives.

WHAT INDIANS DEMAND WHEN IT COMES TO THE SERVICES?

(MULTIPLE RESPONSES)

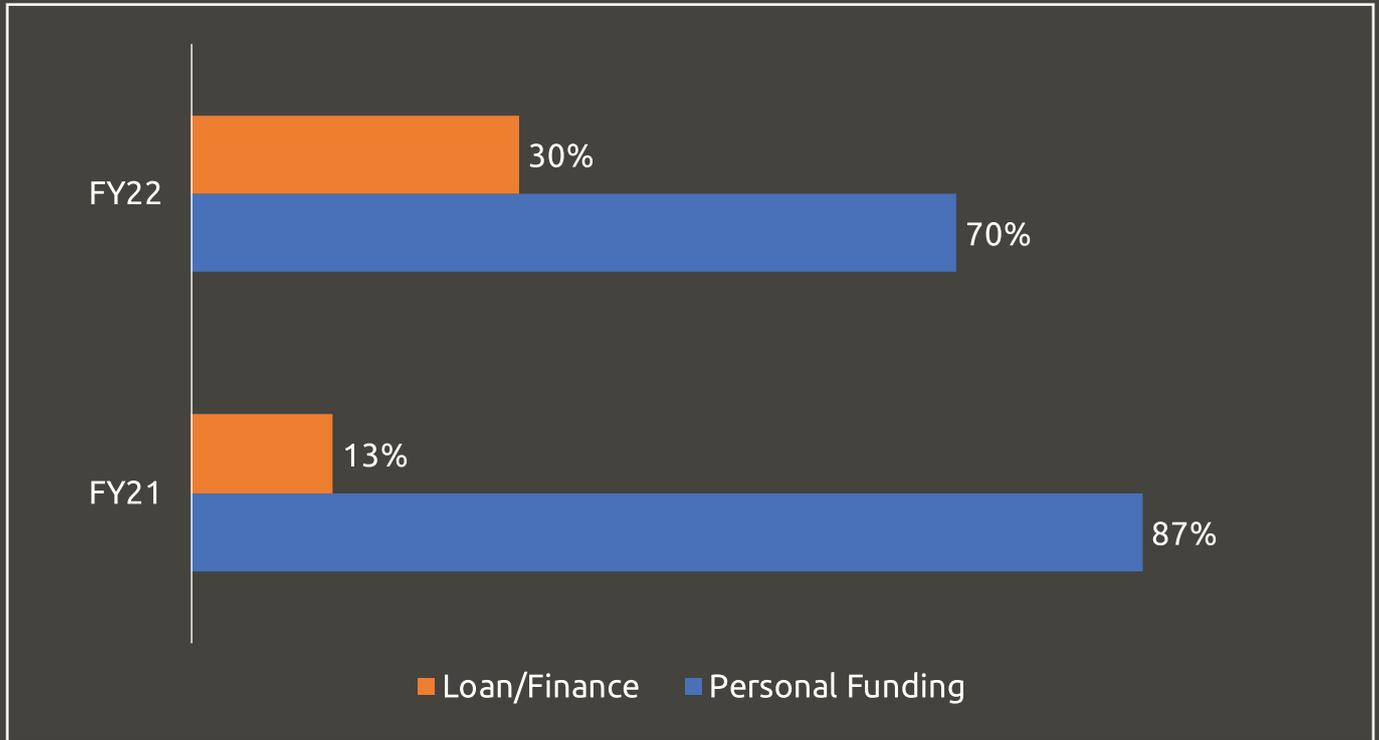


Source: car&bike Analysis



Research study also reveals that buyers are twice as likely to seek platforms that offer a complete transaction experience, including warranty, easy financing, and buyback. The immediate result of increased buyer purchases is a dramatic boost in finance penetration from 13% in FY2020-2021 to 30% in FY2021-22. While financing is still fragmented, there is no overall drop in retail sales. There is rather a shift in buyers financing behaviour.

THE TWO PARALLELS WHEN IT COMES TO FUNDING A USED CAR



Source: car&bike Analysis

Major buyer personas taking a loan/finance in **Metro** cities are senior/top management (employed-govt & private), and self-employed professionals (traders/merchants/shop owners/business owners). At least 30% of these buyers took a loan/finance to buy a used vehicle.

Major buyer personas taking a loan/finance in **Non-Metro** cities are middle management (employed as government servants or working in private sector), and self-employed professionals (traders/merchants/shop owners/business owners). Nearly 40% of these buyers took a loan/finance for their purchase.

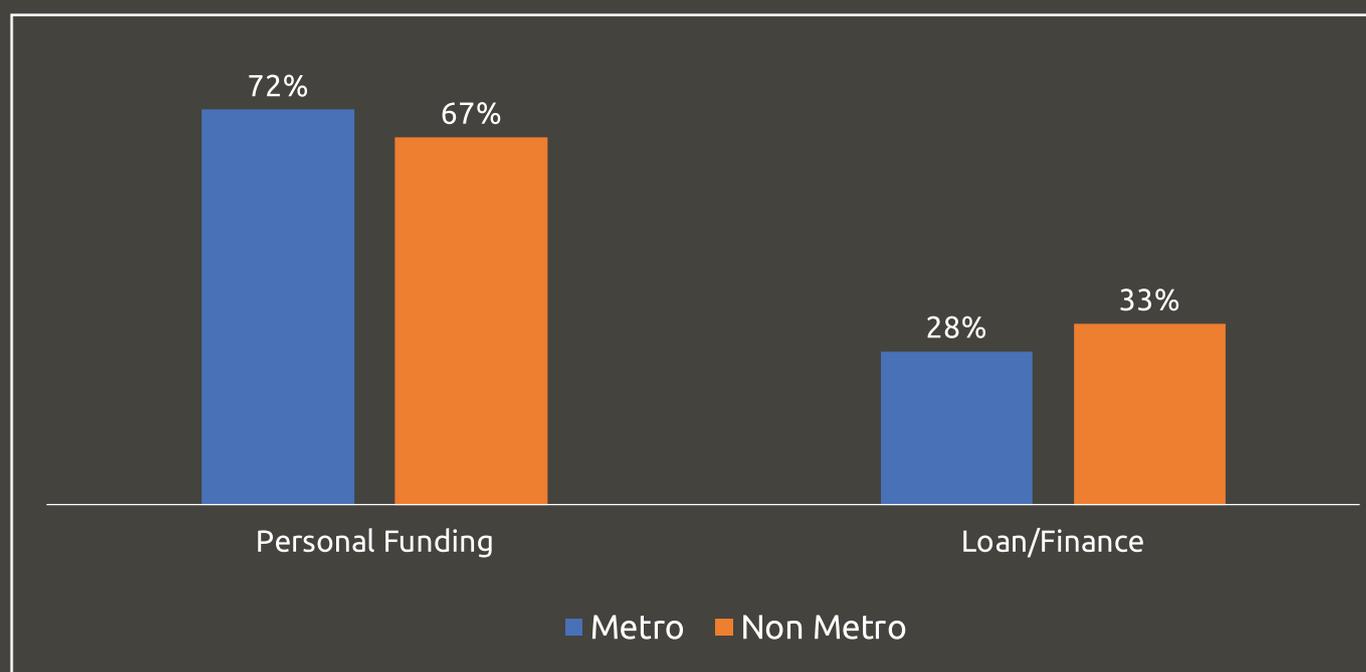
In the majority of cases, the low financing penetration is accompanied by a low loan-to-value ratio: almost 60%. This indicates that financiers/NBFCs are hesitant to fund larger loan amounts for used car loans, and buyers prefer to take smaller loan amounts due to higher interest rates. Car buyers received finance for used cars with an average loan size of 3.5 lakhs.

5.5: USED CAR FINANCING IS BECOMING INCREASINGLY POPULAR.

In India, differences in used car buyers' behaviour across geographies have significantly decreased, as have differences between various age groups. 63% of car buyers, particularly millennials aged 20-40, invest personal savings and liquidity to purchase a vehicle compared to 37% who take out a loan. Self-employed buyers are also more comfortable making the purchase in cash and/or borrowing from family & friends.

In FY2021-2022, 70% of transactions were completed with personal financing while 30% needed a loan.

PERSONAL FUNDING IS STILL THE KING



Personal savings were used by 72% of car buyers in Metro cities, compared to 67% in Non-Metro cities. Due to inroads by Banks/NBFCs to tempt car buyers with lower rates of interest, pandemic aiding in declining cash usage, and confidence in acquiring used cars, 33% of car buyers in Non-Metro cities took a loan compared to 28% in Metro cities.



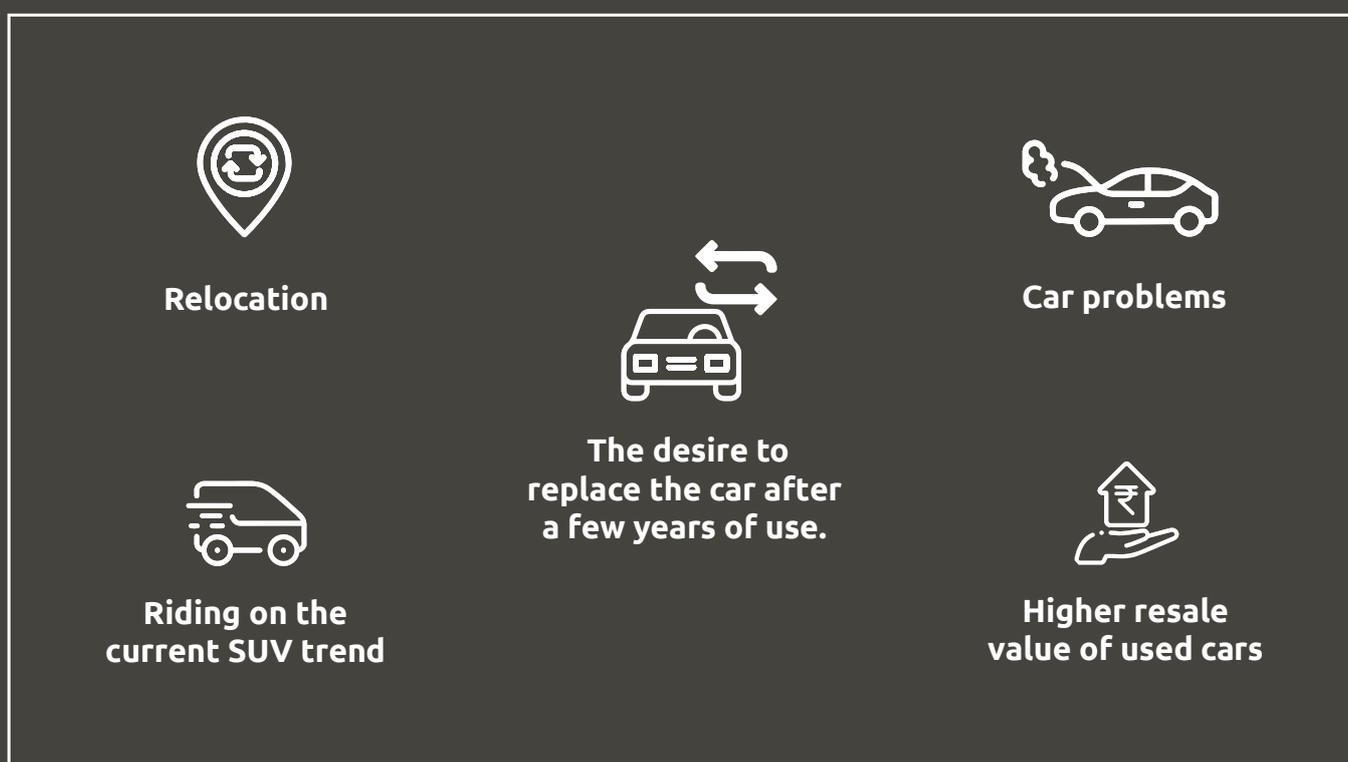
PART C

6: PICTURE PERFECT SELLING EXPERIENCE

Trust is the buzzword. Better resale value is leading to higher offloads by the owners.

The overall number of vehicles sold in the used car business has remained constant, although there is a greater emphasis on selling to the organised used car players. Owners used to contact unorganized dealers first, but they have begun to deal with organized players due to better response times, fairer valuation, and increased trust.

Used car platforms have made great strides in allowing car owners to sell their vehicles. The following are five compelling reasons why sellers are eager to offload their cars:



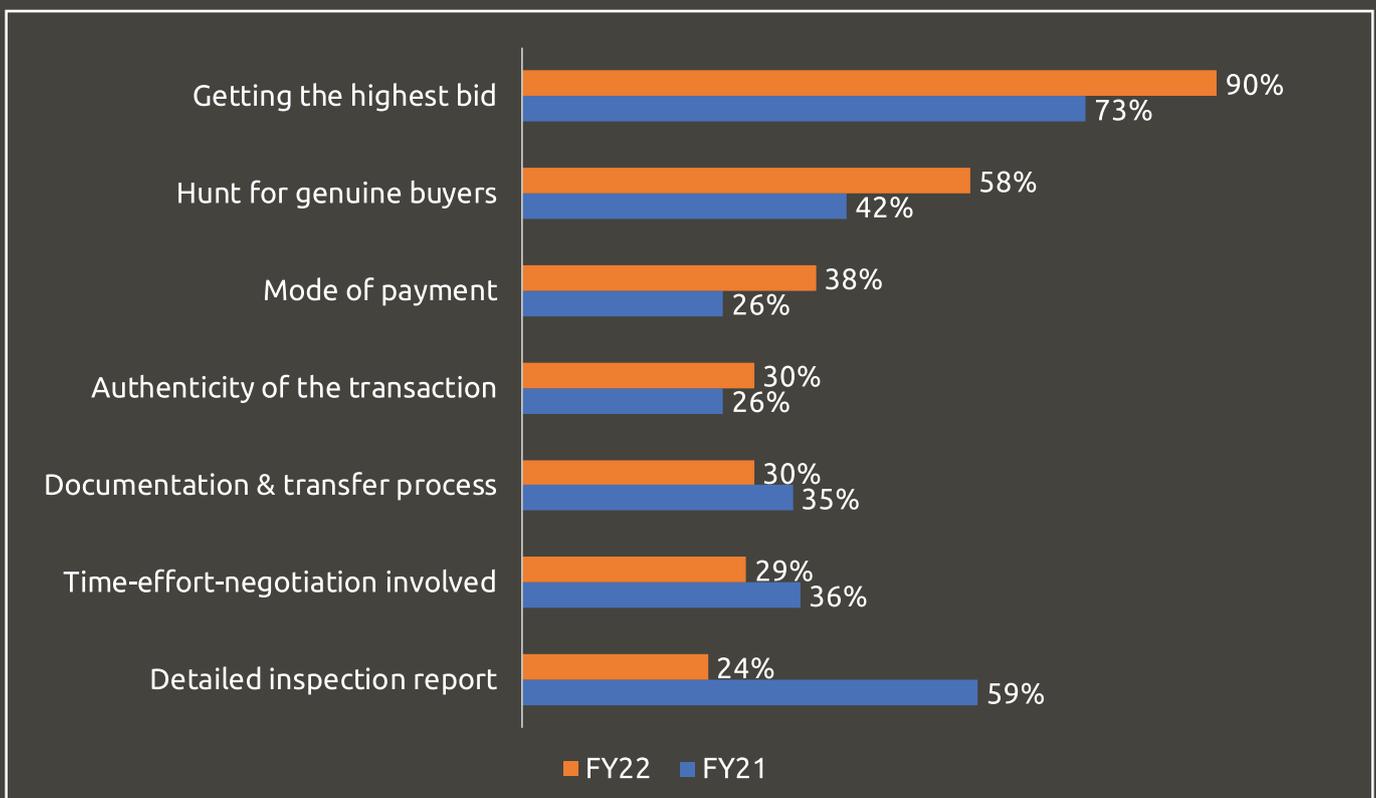
These cars are resulting in high-quality inventory for used car platforms. Buying cars straight from home has been a popular source of supply in recent years. This has increased by six times between FY2020-2021 and FY2021-2022, with most organized players providing this service.

6.1: SELLING FROM HOME IS GETTING INCREASINGLY COMMON

With growing internet penetration and digital adoption by sellers, the consumer journey has altered over time. More and more owners are discovering new organized used car platforms for selling their cars. Friends, relatives, garage owners, classified websites, and social media networks are no longer their only possibilities. According to our survey, 90% of owners who want to sell their vehicles choose digital channels with 70% listing their vehicles on three platforms on average.

Highest price, assured transfer, and genuine purchasers are the most important aspects for owners considering selling a car.

ATTRIBUTES CONSIDERED BY INDIANS WHILE SELLING CARS (MULTIPLE RESPONSES)



Source: car&bike Analysis

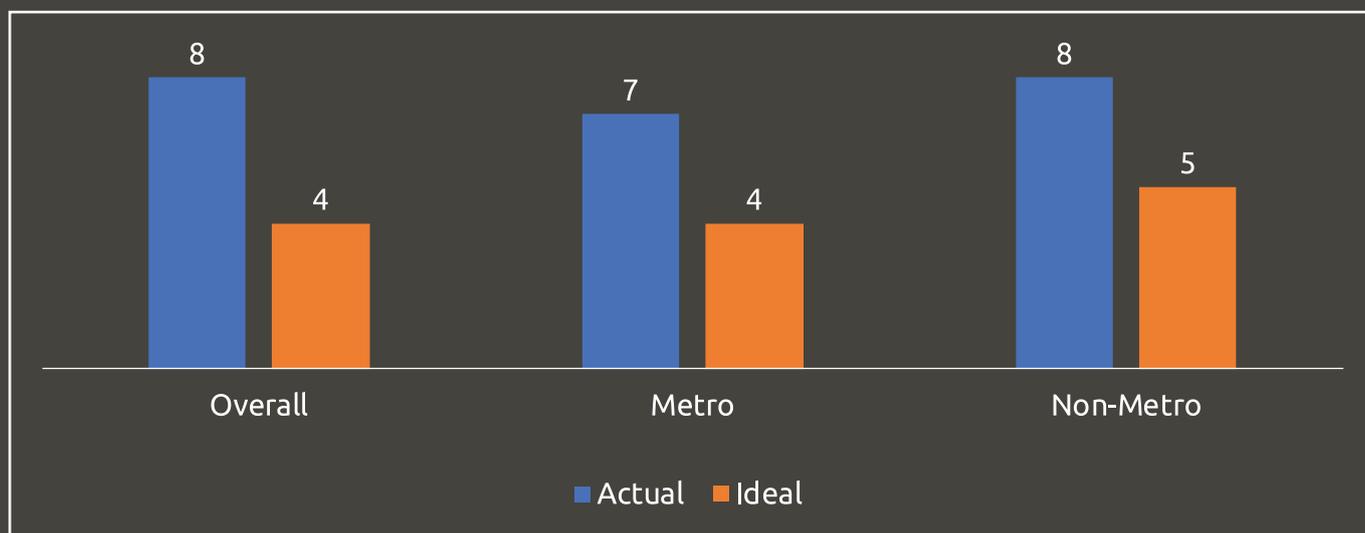
According to our research, 84% of car sellers would love to sell a car from their home itself. However, compared to previous year, only 50% of used cars entering the market were retail worthy (five years old), with 25% having covered distances of less than 40,000 kilometres.

In Metro cities, 71% of car sellers would like to upgrade to a new car, compared to 52% in Non-Metros, indicating a larger supply ratio of future used vehicles in Metro cities and a shorter car holding period. About 68% cars on used car platforms are powered by petrol with the percentage of vehicles running on diesel growing from 25% in FY2020-2021 to 32% in FY2021-2022.

Interestingly, selling a car takes about 7-8 days on average in Metros and Non-Metros. Used car platforms will need to focus on streamlining selling procedure to build trust and disburse

payments in real time, as car sellers expect the average selling turnaround time to reduce from eight to four days. This scenario has seen vast improvement in the past couple of years with the full sales process, including receipt of full payment, reducing from 23 days in FY2010-2011 to 8 days in FY2021-2022. The average number of days projected to sell a hatchback (which accounts for more than half of all cars sold) was six, but the car was actually sold in nine days.

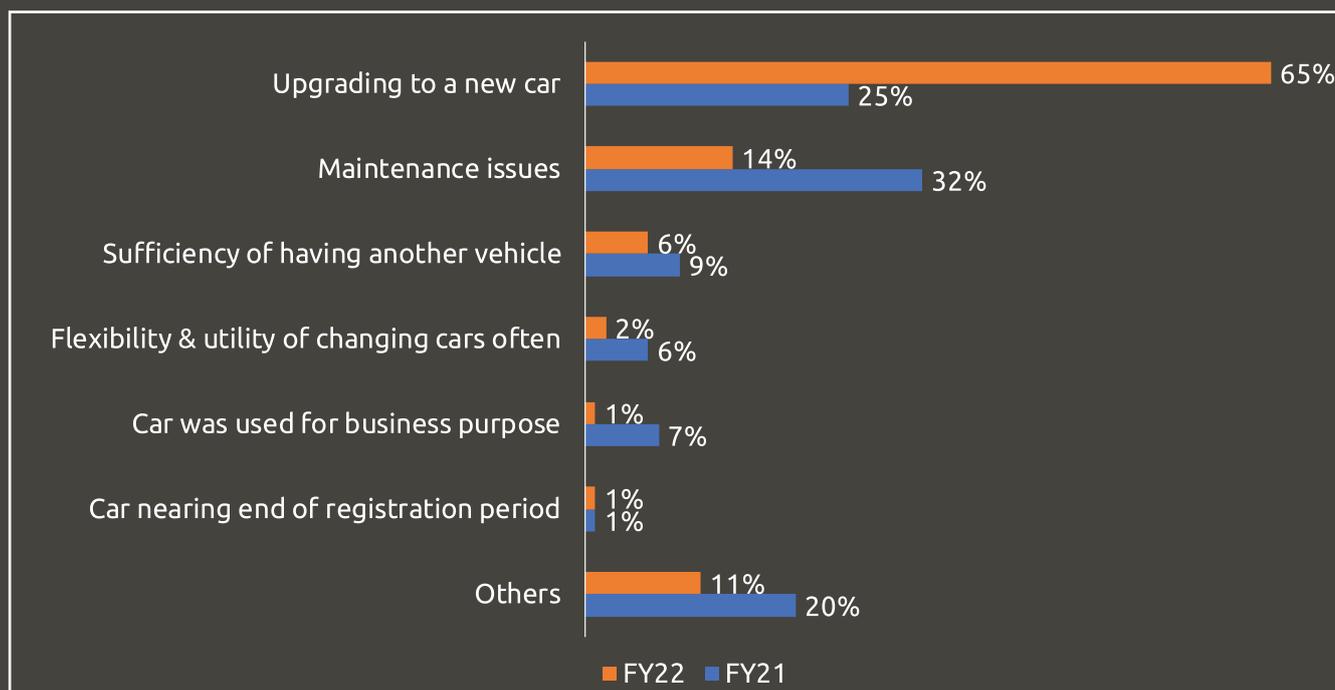
TURNAROUND TIME EXPECTED WHILE SELLING A CAR



Source: car&bike Analysis

Car sellers, for example, get rid of their cars after covering distance of 70,000 kilometres on average, with an average vehicle age of about 4 years in FY2021-2022 compared to 4.4 years in FY2020-2021. There are two reasons why owners consider selling their old car: One, their urge to upgrade after a few years of use; and two, the vehicle’s maintenance issues. More than half of the vehicles sold are hatchbacks, 20% are SUVs while 16% are Sedans.

REASONS WHY OWNERS’ SELL THEIR CAR

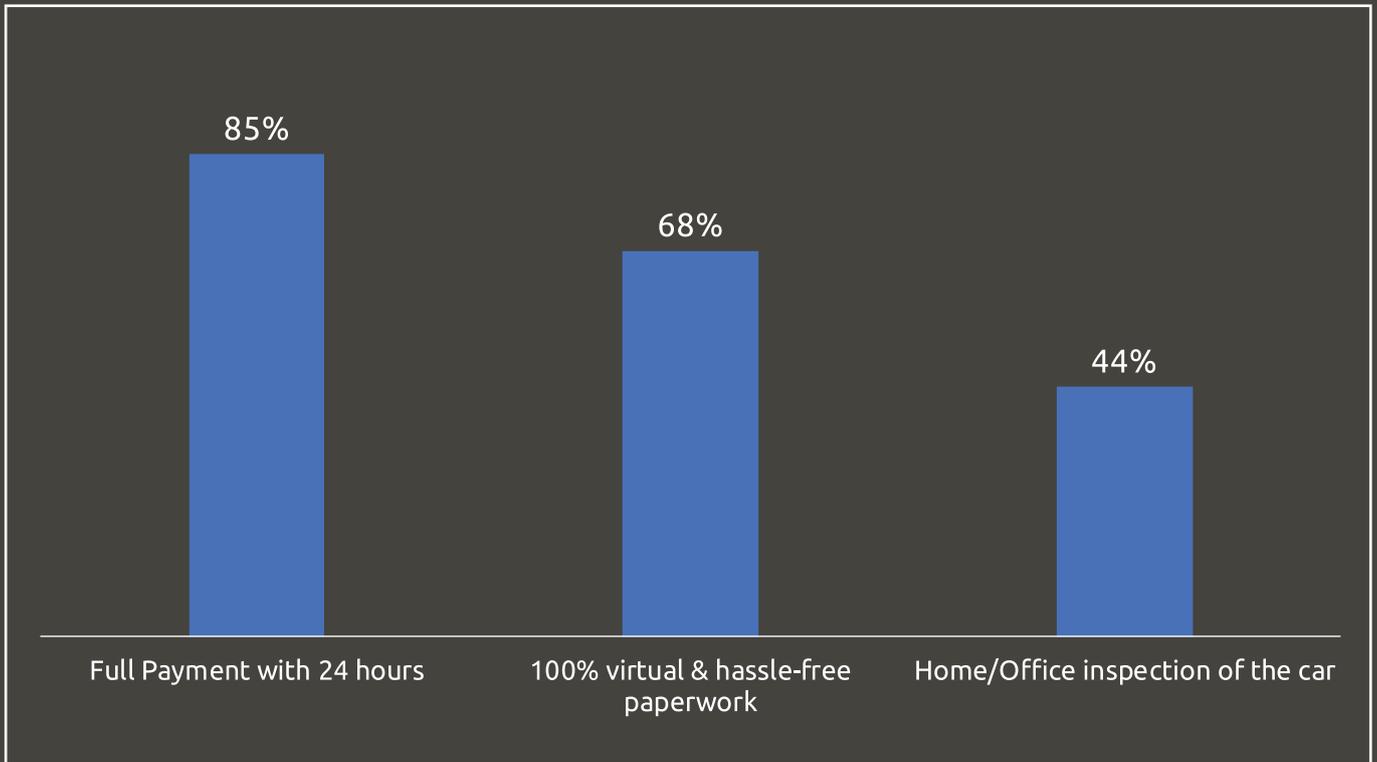


Source: car&bike Analysis

6.2: EMERGING EXPECTATIONS FROM 2022 AND BEYOND

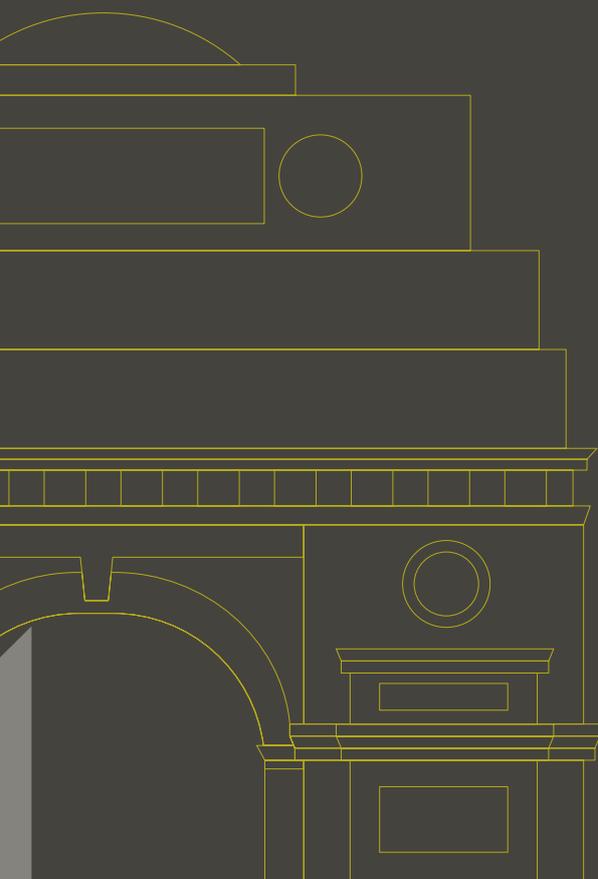
Sellers have developed a liking for offloading cars to organised used car players, with 85% requesting full payment within 24 hours and hassle-free documentation.

OWNERS' TOP PRIORITIES THROUGHOUT THE SALE CLOSING PROCESS

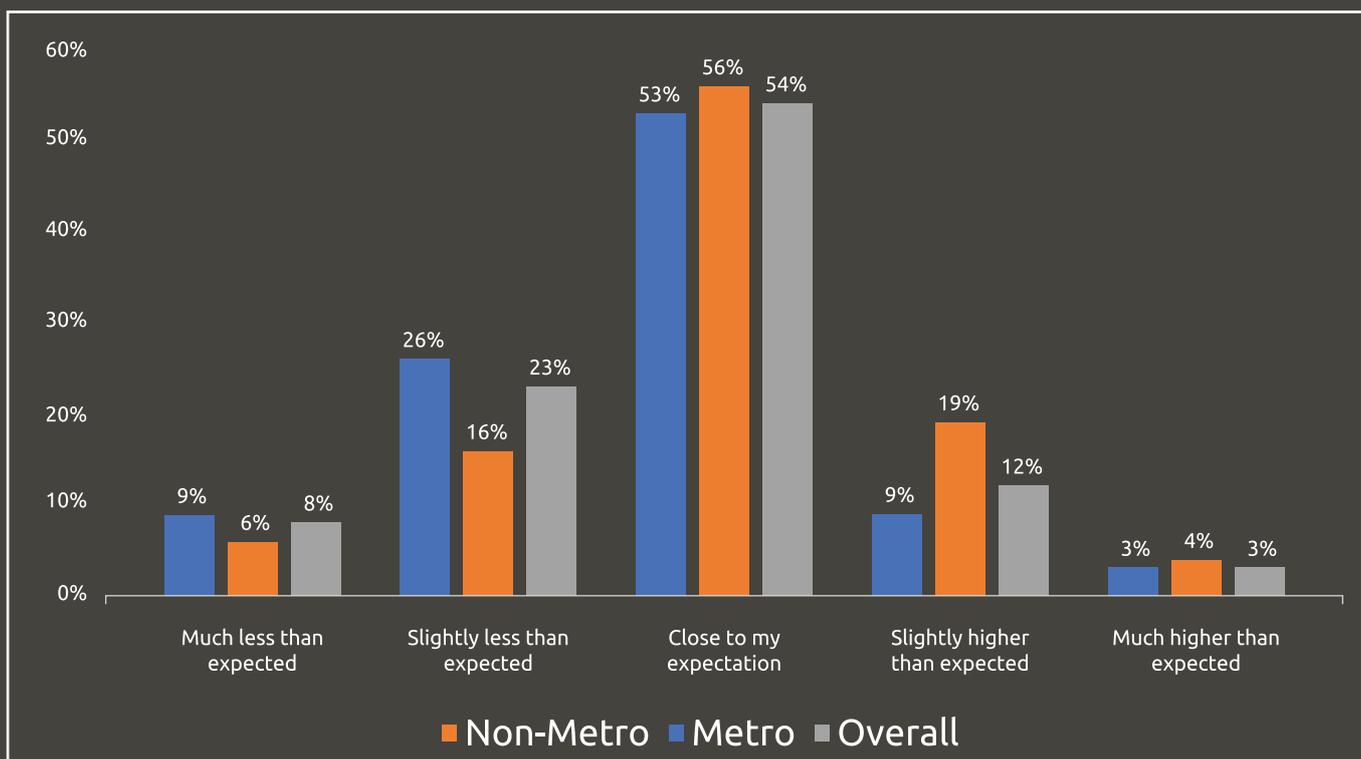


Source: car&bike Analysis

In contrast to this ideal situation, used car platforms are increasingly facing pushback from vehicle sellers, with 30% dissatisfied over car pricing stated during the sale and 50% citing a lack of transparency in post-sale documentation and liabilities as a reason.



EXPECTATIONS VERSUS REALITY WHILE SELLING A CAR



Source: car&bike Analysis

For the majority across both Metros and Non-Metros, the car was sold at a price which was 5,000 to 25,000 less than their expectation. Selling on used car platforms has unparalleled incomparable potential to become the first choice for car sellers. By FY2026-2027, more than 8 Mn cars will be sold through used car platforms. Maruti Swift, Maruti Alto, Maruti Wagon R, Maruti Dzire, Maruti Baleno, Hyundai i10, Hyundai i20, Honda City, Mahindra Scorpio, and Mahindra XUV500 are the top ten cars sold in India.

6.3: TECH ENABLED PLATFORMS DRIVING GROWTH

What distinguishes the new generation used car platforms is their scientific and logical approach to determining vehicle valuation and giving a complete and comprehensive vehicle health report to validate the vehicle assessment.

Organized platforms, in turn, conduct thorough inspections on used cars bought from owners and refurbish them to provide the next car buyer with a certified quality vehicle. While used car platforms will play a significant part in inspections and price determination, AI-enabled pricing algorithms such as IndianBlueBook pricing (IBB) can assist owners in determining the range of vehicle pricing prior to an actual inspection. These pricing parameters take into consideration historical pricing from the last 20 years.

To provide a successful selling experience, organised platforms must focus on two areas: Provide world-class customer service and interact with clients in a way that avoids constant persuasion. Organized platforms also provide the convenience of selling from the comfort of your own home while enabling a safe and secure transaction with fast cash settlement and a simple RTO transfer procedure.

PART D

7: INKSIGHT: EXPERT INSIGHTS

7.1: THE PLATFORM REVOLUTION IN PRE-OWNED CAR SALES

Sangeet Paul Chaudhary – Founder, Platformation Labs

Platforms have emerged as a dominant market making mechanism across a whole range of industries. Platforms typically connect buyers and sellers, more broadly producers and consumers, and enable value-creating interactions between them.

Because platforms build large networks of counterparties to a transaction, we often erroneously believe that the primary purpose of a platform involves counterparty discovery. Instead, a platform's primary purpose is transaction facilitation. In markets where products and services are standardized and may be accurately valued, the primary barrier to transaction facilitation is counterparty discovery. But in markets where products are not standardized and cannot be accurately valued, counterparty discovery is necessary but not sufficient for the creation of successful platform models. Entrepreneurs entering such markets with platform models are often left perplexed when users fail to adopt their solution despite massive investments in customer acquisition to aid counterparty discovery.

This is why efforts to build platforms to sell used cars have largely failed in markets around the world. Companies that start out as platforms, eventually transform to acting as resellers.

In markets where products are not standardized and cannot be accurately valued, platforms need to drive standardization and reliability to impute trust in the transaction. Standardization reduces decision overhead on the consumer and reliability ensures that consumers trust the platform's valuation mechanism. With improvements in data science, the used vehicle space is poised for a platform revolution today.

Building a used vehicle marketplace platform requires the creation of a quality standard for used vehicles, backed with a valuation and liquidation mechanism that trusts that quality standard. Moreover, vehicle inspections can be standardized, and a quality score developed. Platforms that successfully transform the used vehicle sales market will need to ensure that they own and set such a quality standard, backed by vehicle valuation data, which is accepted across an ecosystem of financial service providers, distributors, and consumers.

Indeed, we are poised for a shift in how used vehicles are transacted -- a shift in value that can be unlocked in secondary markets for vehicles. And the platforms that combine standardization in quality and reliability in valuation will be the ones that win in this new era.

7.2: WIDE DATA AND AI – SOLVING THE PRICING AND VEHICLE CONDITION CONUNDRUM

Anand Mahurkar – Founder & CEO, Findability Sciences

In today's market, the right pricing approach is essential to remain competitive. In the case of used car market, both selling and buying prices must be optimized to increase the business volume as well as the profit. Even though increasing sales organization efficiency and reducing the operational costs are important, price will be the biggest profit driver for used car business. Therefore, determining optimum price is highly significant part of used cars business.

The used car pricing is a very complex phenomenon. There are multiple factors which influence the prices. These can be divided into two main groups, as vehicle linked factors and external factors.

The vehicle linked factors can sub-divided into readily verifiable factors like make, model, variant, age; and Inspection factors like vehicle condition; and externally sourced factors to be acquired or verified from third parties like insurance companies, such as accidents and claims and from vehicle registration authorities like registration details, ownerships, etc.

The external factors will contain market related factors like new car market trends, used car market trends, supply-demand dynamics at macro level and at micro level geographically, regulatory factors like changes in emission norms, validity rules, etc., economic indicators, new car supply forecasts, geopolitical issues, fuel prices, etc.

The huge product mix involving thousands of model variants at various stages of its life cycle along with a complex business model involving institutional participants, dealer networks and retail participants through various channels like B2B, B2B2C, C2C or Dealer to consumer (D2C) add to the complexity of pricing.

There are thousands of model variants in the market, each having its own depreciation behaviour which also has temporal factors that are different for different models and fuel types. The electrical vehicles currently are in nascent stage; however, they will soon bring a very different type of depreciation behaviour which will add to the complexity. Interestingly, the prices change with the locations and the local, instantaneous demand & supply dynamics play its role in adding spice to it.

Sudden significant price changes have been observed in the market due to certain events like closure of manufacturing of new cars for a specific make in a particular geography. Other events like corporate announcement for car recalls due to faulty parts or chip shortages for new car manufacturing also influence price changes.

It has been observed that the prices of used cars are on rise over a considerable period of time for various reasons, however, consumer behaviour change due to pandemic where personal commute is preferred over public transport caused it to accelerate.

The traditional process of price determination is either based on some expert's gut feeling or based on certain rule-based model. In both these cases, the complex interplay of all the factors influencing the price does not get captured in an unbiased way. Another challenge with these methods is that they lack the agility to capture the changing relationships between the factors and sudden changes in the impacts.

The vehicle condition factors like engine condition influence price of a used car, these assessments consist of certain tests, and visual inspections. These involve human subjectivity in the assessment and add error in the price determination.

Another derived factor from vehicle linked factors is estimation of refurbishment cost so that a used car dealer can increase the value of the vehicle by refurbishing it before he sells it.

All these complex relationships exist in the data related to vehicles and their prices; however, it is humanely impossible to unearth these insights and implement them for price determination. It needs sophisticated AI to identify and model these relationships.

When it comes to AI, these are Machine Learning Algorithms which can learn, co-relate, predict, and reason the intended outcome, often called as Target Variable (TV). The price is the TV for solving the challenge of used car prices. AI needs data to learn and it's the historic data which makes the algorithms smarter. For successful AI implementations, Wide Data is a must.

Wide data is the data with Variety and Veracity. The AI to predict the price will need wide data containing internal and external data of structured and unstructured type. The external data from third parties as well as publicly available like news, social chatter will help in sensing the latest trends and triggers. AI solutions for predicting refurbishment costs, and computer vision-based inspections of vehicle add power to the entire process.

The pricing trends are very dynamic and location sensitive and are subject to data drift. Therefore, a strategic data refresh policy for AI model is very important to stay relevant.

7.3: SELLING CARS ONLINE – IS PHYGITAL THE WAY OUT?

Rob Huting – Corporate Development, Vice President at Cox Automotive Inc.

Are consumers ready to buy cars online, and will the traditional dealership become a thing of the past?

Watching Carvana and Vroom ads on US TV you would think the only way to buy a car is online. Watching the investment landscape in the US and Europe you see a lot of M&A activity in the automotive digital retail sector and not just online retailers, but also related companies like online auto financing, online marketing, and merchandising. Everyone getting ready for online car buying.

Full disclosure, I found my last 2 cars online, arranged purchase without visiting the dealer, and had the cars delivered to my driveway. So, I am a fan. But one swallow does not make a summer. Is full online retail the future?

Cox Automotive does an annual car buyer journey study to get the pulse of the market. When asked if they would buy a car without a test drive, ~70% of consumers stated that they would never buy a car without a test drive. If they were told that they could get their money back after purchase, this number dropped to ~60%. So, 60-70% of the consumers are not ready to buy a vehicle without visiting the dealer.

A recent McKinsey study among consumers in the US, China and Germany showed that consumers prefer a journey where interactions happen in the dealership, and online. People prefer to see, test drive, and pick up the car at the dealership. Information gathering, quotation, financing and contracting are interactions they prefer to be online.

McKinsey's study mirrors what Cox Automotive finds in dealer studies. 55% of franchise dealers and 39% of independent dealers say consumers are completing more steps online. 78% of franchise dealers and 67% of independent dealers believe that more consumers will buy online in the future.

Going back to the Car buyer journey study, what would make consumers more likely to buy online?

Three options scored 80%+ to increase willingness to buy online: test drive delivery, expanded warranty and a money back guarantee. A 2021 Autotrader UK study found the top two reasons consumers buy online are: better selection and better value. This is in line with my own experience. I buy cars online with a certified pre-owned warranty, and I test drive locally, but then find the best selection and price online.

What does this mean for the initial question? I do not believe that dealerships are headed for extinction. US sales numbers show that with all the investment and marketing less than 5% of cars are completely sold online. Consumer studies show that 30-40% are open to buying a car online. 60-70% are not.

So, if I had a dealership, I would leave it up to the consumer. I would ensure all my cars were well merchandised online. I would give consumers the option to complete some or all the journey online, whatever they are comfortable with. And provide my team the tools to make the journey easy.

7.4: EMERGING BUSINESS MODELS AND SUSTAINABILITY

Jignanshu Gor – Chief Strategy Officer, Mahindra First Choice Wheels

Historically, pre-owned car industry has been evolving constantly. Nowhere has a model settled down or a single winning model emerged. This evolution typically follows the evolution and speed of the new car industry globally. This is natural as the new car industry feeds the 'raw material' for the used car industry.

Traditionally, in all markets, the pre-owned car industry is unorganized. It is small, with low profits and does not attract the attention of large corporate players or investors. Over the last few years, however, led by technological innovation and changes in customer preferences, the pre-owned car industry has been evolving rapidly.

Till mid-2010, there were 2 broad business models in play globally:

- (a) Transaction-led models: this is about dis-intermediating the existing sales channel of unorganized dealers by an organized player. The transaction can be about buying car from consumer (so called C2B model) or selling car to consumer (so called B2C model). The most famous example here is CarMax
- (b) Services-led models: this is about offering services to existing players in the used car ecosystem. Examples include offering leads packages to help dealers' sell cars or helping them with pricing guidelines or running a commission-based auction platform to help them buy cars etc. Some examples here are Cox, Cars.com, AutoTrader.uk, Carsales etc.

A look at the industry developments globally indicates rise of phygital marketplaces is imminent. The 4 key trends we see solidify over the next few years are:

- (a) Digital retailing is gaining traction: This does not necessarily mean selling cars completely online but bringing those parts of the transaction journey online which will clearly benefit from current e-Commerce tools available. This may include steps like research, browsing, to identify specific cars of interest, booking a test-drive at home, arranging for warranty-finance-insurance for the vehicle etc. Most new-age players like Carvana, Cazoo have done it well globally.
- (b) Retail transactions are the key metrics being chased: Most businesses which focused on service-led models, are attempting to add transaction metrics (classifieds-based sales package to conversion-based income). Interesting examples of this trend at Carsales, AutoScout24 and others.

- (c) Procurement from institutional sources becoming important: While digital retailers started by disrupting the C2C (buy from consumer, sell to consumer) landscape, they are realizing the importance of low-cost supply which can be obtained from institutional sources (leasing, fleet, financial institutions). However, accessing this supply needs capabilities of inspection, storage, auction across vehicle categories. This is being seen by the partnerships created by Constellation acquiring CarNext to lock-in off-lease supply and focus from Aramis, AutoHero on trade-in vehicles.
- (d) Vertical stacks giving way to marketplaces: Players are forming partnerships to aggregate supply on their platforms. Most players that started as a full-stack end to end model have by Carvana, Cinch, HeyCar etc. displaying their own inventory and dealers' inventory on their platforms.

The nature of a nascent industry is to keep evolving. And we believe the Indian journey has just begun!



8: CONCLUSION

Despite many challenges, the used car market is alive and kicking, and all set to show a sizable growth and development in the near future. This holds true for the used car market at the global stage as well as for India's used car industry. A judicious mixture of physical presence of a buyer for test drives and the use of sophisticated digital platforms is a good piece of news for both the consumer and the seller. Over the years, it has been observed that the trust deficit between a buyer and seller has considerably reduced, thanks largely to transparent, smooth, safe, secure and swift transactions in the last four-five years.

The off-putting experience of the days gone by is almost over, as the role played by brokers and unorganised platforms is on a steady decline. Modern day ambitious buyer has more access to knowledge and data, thus paving the way for informed choices in relation to buying a used car. Regardless of a customer's desire to own an average vehicle or an upgraded pre-owned car, research and data continue to play a decisive role. Furthermore, artificial intelligence will continue to provide succour to both buyers and sellers, thus enabling the used car industry to get bigger and bigger. Pertinently, buyers of old cars belong to various socio-economic platforms, thereby helping the used car market to expand, evolve and grow further.

Upward mobility of India's aspirational youths and their desire to own a car for personal mobility, conveyance, security, social status and fashion statement will only mature further. The Indian used car market is expected to flaunt a CAGR of 19.5% by value and 12.7% by volume during the period FY2022-2027.

Our research study establishes the fact that consumers are inclined to purchase used cars due to the accessibility of finance options. Moreover, the COVID19 pandemic too has acted as a vehicle to prompt consumers to buy old cars for personal mobility while ensuring that maintaining good health remains one of their priorities. As far as India is concerned, the good news is that the automotive industry will rock in the midst of a digital explosion! The future of used car industry is safe, stable, and solid.

9: TIPS FOR BUYING & SELLING A USED CAR: KEEP IT SIMPLE, ACT SMARTER

First things first: Used cars these days have better safety features and more tech gizmos than models from a decade ago. Hence, buyers do not want to let go the opportunity to purchase a used car for half the price of a new car, and that too without the burden of a loan and interest. With rising interest rates, there has been a significant drop in the number of people acquiring new cars. As a result, the used car industry is here to stay. Another aspect is that car enthusiasts typically like to own the latest models, and purchasing a new car rather turns out to be costly for such buyers. Thus, investing in used cars is not only a pragmatic decision, but also suitable and sensible choice.

But let's face it: Some end up being sold a beat-up clunker with grimy seats. Many Indians make huge mistakes while buying used cars. They often buy from un-trusted and un-organized sources without any safety net of warranty or detailed inspection reports. A third of these buyers are staring at a heavy markdown due to being sold a 'lemon' or 'damaged' vehicle. Ouch! That is neither smart nor a winning personal finance strategy at all.

On the flipside, while selling the car to a circle outside of friends and family such as untrustworthy garage owners, middlemen, and agents can bring in complications in form of delayed transfer of documents, unauthorized use of vehicle before transfer and lack of transparency post sale. Hence, the best way to sell the hassle-free way is by selling your vehicle to an organized used car player from the comfort of your home.

Hey, don't worry! car&bike's Buying & Selling Pre-checklist kit is here to offer help and true value for money. Here's a guide how to buy a used car without getting cheated or paying more than you must:

Things to check 'before and after buying a used car':

If you don't want to be taken for a ride, make sure that you properly inspect the vehicle's documentation. This is a must under all circumstances. Furthermore, ensure that the seller notifies the Regional Transport Office (RTO) where the vehicle was registered within a week after purchasing the vehicle.

DOCUMENTS YOU SHOULD HAVE IN YOUR POSSESSION FROM SELLERS BEFORE CLOSING THE DEAL:

Detailed Inspection Report	The report should include a full description of the vehicle's interior and exterior conditions at the time of inspection. This point report gives openness and allows the buyer to acquire a high-quality car. It also helps you to get a greater price in organized used car platforms if you decide to go forward with a car buyback option in the future. Most organised used car platforms offer a free 140–200-point inspection report prior to a purchase.
Registration Certificate (RC)	This is the most crucial document since it contains vital information about the car you want to buy, such as the chassis number and engine number. If the car is old or has been damaged in a serious accident, the engine may have been replaced. Therefore, please make sure the RC has the new serial number. Also, ensure that the word DRC, which stands for Duplicate Registration Certificate does not appear on the certificate. If it does, inquire with the seller on the complete details
Service Book	You should go through the service history of the vehicle since it will reveal to you the condition of the car. A vehicle that has been serviced on time and through authorised centres will be in a better running condition than one that has been not serviced frequently.
Road Tax Receipt	This tax is a one-time payment, which should be paid by the first owner of the car when he registers the vehicle. If it has not been paid, the penalty can run into lakhs of rupees over time, and you, as the new owner, will have to bear this financial burden. The tax varies from State to State, so you should ensure that the seller provides you a receipt for the tax paid.
Insurance	After purchasing the desired used car, have the insurance transferred to your name; else, it will be difficult to submit a claim in the event of an accident. Verify and see if the premium has been paid on time, the policy's expiry date, and if insurance has ever been claimed while transferring the policy. The latter will inform you whether the car was involved in an accident. Determine whether the vehicle has third-party or comprehensive insurance. If the insurance has expired or is about to expire, you might negotiate a lower price for the car with the seller. It should be noted that obtaining insurance for a used car that is more than 14 years old will be challenging.
Forms 28, 29, 30, 32, and 35	Forms 29 and 30 are required documents when purchasing a used car in India. The seller must sign two copies of Form 29 and one copy of Form 30 and deliver them over to the buyer as part of the used car registration procedure. The buyer will then submit it to the RTO for ownership transfer: <ol style="list-style-type: none"> 1. Form 29: Notice of transfer of car ownership 2. Form 30: Application for the intimation and transfer of car ownership 3. Form 28: No Objection Certificate that is mandatory when the car ownership is transferred between states 4. Form 32 and 35: You will need these documents if the previous owner had taken a loan to purchase the car. Before buying, ask the seller to give you a copy of the No-Objection Certificate (NOC) from the finance company which will clarify that the entire loan has been paid. If you do not take care of this detail, you could land in trouble. For, after you take possession of the car and the registration certificate is transferred in your name, the lender may ask you — as the new owner — to pay the pending loan

Proforma & Receipt	Once the vehicle is finalized, the dealership would share a soft proforma document before the invoice is generated, which highlights complete details of refurbishment undertaken, payment terms and handover details. Make sure to receive the multiple payment receipts if you choose to make a full payment in parts within the agreed period.
Financing	<p>In case you wish to take financing, the dealership takes care of documentation and brings in the best quote.</p> <ol style="list-style-type: none"> 1. Approval is confirmed within 2-3 days but transferring funds takes 6-7 days 2. Rate of interest on used car starts from 11%, it extends to 15% - depending on customer's profile & CIBIL score. A few players such as Mahindra First Choice (car&bike) do offer financing at 11% 3. All banking partners provide a loan on used cars for a maximum tenure of 5 years 4. Transfer is a big challenge; hence organized used car players take care of end-to-end documentation of financing and RTO transfer <p>You should seek clarity on the Interest, Documentation fee, Stamp duty charges, Valuation charges, Loan cancellation charges, Penalty on delayed payments.</p>
Roadside Assistance (RSA) & Warranty	Make sure your dealership provides a 1–2-year warranty with a coverage of 15,000 - 25,000kms. Clarify whether the warranty provided is comprehensive or only covers engine & transmission. You do not want to be left in a lurch in case of a breakdown of vehicle, hence ensure that RSA is provided as part of the warranty
Car purchase invoice	A dealer or a company will provide you a printed bill along with the car. Ensure you get a commitment in writing for RC paperwork and transfer completing within the stipulated 90 days. However, this may not be possible if you are purchasing the car from an individual or broker

Documents you should have in your possession from sellers before closing the deal:

Buying from an organized dealership is less cumbersome as they take care of the transfer of insurance and RC in the name of the new owner. However, verify that you are purchasing directly from the previous car owner and that the vehicle has not been transferred in the name of the dealer.

A few organized used car players such as Mahindra First Choice's (car&bike), and Volkswagen's (Das WeltAuto) have dealerships present across 300+ cities. Buying a used car from organized multi-brand dealerships is the safest and easiest option since all the checks and documentation are done thoroughly by the company, which means that it will require minimum overseeing by the buyer.

Not only is the car serviced properly before being sold, but the platforms will also offer free test drives, warranty of 2 years, detailed inspection report, speedy financial assistance, roadside assistance, couple of free servicing's and vehicle buyback. Another advantage is that in case of any issue, you have an assured place to address your grievances.

Things to check 'before and after selling a car':

When selling a personal car to untrustworthy buyers, Indian seller impulses are always guided by the value recovered on the vehicle, with little focus on the post-selling process. This can lead to lawsuits and RTO penalties if the vehicle is misused by buyer before the transfer is completed. To avoid this situation, individuals are more likely to be at comfort while selling vehicles to organized used car intermediaries. These platforms not only provide a better value for the vehicle backed up a detailed inspection report, but also have a robust process to take care of the end-to-end documentation and RC transfer process.

HERE'S A LIST OF MANDATORY DOCUMENTS/ITEMS YOU NEED TO SHARE WITH BUYERS BEFORE CLOSING THE DEAL AND WHICH WOULD HELP YOU GET THE FINAL QUOTE:

Registration Certificate (RC)	This is the most crucial document since it contains vital information about the car you want to sell, such as the chassis number and engine number. If the car is old or was in a serious accident, the engine may have been replaced, therefore be sure the RC has the new serial number. Also, ensure that the word DRC, which stands for Duplicate Registration Certificate, does not appear on the certificate. If it does, it must be highlighted with complete details at the time of sale
Insurance	When selling a personal car, you have the option of retaining the existing valid insurance to benefit from the "No claims" bonus or you can choose to surrender the insurance at the time of sale. However, the final price of the car will be affected by the above choices. If the insurance has expired or is about to expire, you might receive a lower price for the car
Forms 28, 29, 30, 32, and 35	Forms 29 and 30 received at the time of purchase are required to be submitted when selling a used car in India. The seller must sign two copies of Form 29 and one copy of Form 30 and deliver them over to the buyer as part of the used car registration procedure. The buyer will then submit it to the RTO for ownership transfer: <ol style="list-style-type: none"> 1. Form 29: Notice of transfer of car ownership 2. Form 30: Application for the intimation and transfer of car ownership 3. Form 28: No Objection Certificate that is mandatory when the car ownership is transferred between states 4. Form 32 and 35: If you obtained a loan to buy the car, you'll need to submit these documents. Before selling, you must obtain a copy of the financing company's No-Objection Certificate (NOC), which confirms that the full loan has been paid. This process is managed by organised used car platforms, who coordinate with your financial partner for paperwork.
Duplicate Keys	This has a direct impact on the final quote in addition to the detailed vehicle report that is generated post inspection of the vehicle by car experts from organized used car platforms
Token Amount	Once you agree to the car quote, organised platforms will offer you with a refundable token sum ranging from Rs. 1,000 to Rs. 10,000. Make certain that you seek the cost of not continuing the transaction later for any reason.
Optional Elements	Car sellers can optionally also share the PUC certificate, Owner Manual Book, and Service book. However, adherence to the mandatory list above is necessary to help determine the ultimate car valuation

Selling a car to organized multi-brand dealerships is the safest and easiest option since all the checks and documentation are done thoroughly by the company, which means that it will require minimum overseeing by the seller. They also provide a hassle-free experience and enable you to sell a car from the comfort of your location. For example, once you have sold the car to these platforms, they will ensure the registration certificate process is handed to the new owner and that the vehicle is not misused while it is in their dealerships.

10: RESEARCH METHODOLOGY

The findings presented in the report have been arrived through primary and secondary research.

PRIMARY RESEARCH

The consumer and dealer studies were conducted in liaison with car&bike and Das WeltAuto. This survey was done at a pan-India level with (N=1000) respondents surveyed throughout the report. This research included Metro and Non-metro cities like as Mumbai, Delhi NCR, Guwahati, Pune, Kochi, Hyderabad, Jaipur, and Bangalore, among others.

SECONDARY RESEARCH

Secondary Research was done to identify the market structure and dynamics of the used car market in India. Information was collected from various internal and external sources and analysed thoroughly for validating the primary data.

11: WHO WE ARE

Mahindra First Choice (car&bike): Mahindra First Choice Wheels is a brand you can safely place your complete trust in. It is India's top multi-brand "**phygital**" used car platform firm, organizing the market by aggregating demand and supply.

On the demand side, the firm serves customers by selling 140+ point certified cars through its 320+ Dealerships and 8+ car&bike Superstores, each of latter housing 100+ cars and has a retail network reaching over 1000+ touch points in 400+ cities. These offline stores are complemented by a seamless digital platform accessible through www.carandbike.com, which offers special benefits such as a **two-year warranty, a seven-day return policy, roadside assistance, and buyback with fast cash offers**. As a result, it is a one-stop shop for consumers in India who want to buy or sell old cars, either in-store or online.

car&bike is one of India's topmost Auto-Tech websites by traffic, providing quality auto content as well as a digital marketplace for buying and selling used cars. More than 30 Mn users log into the website every month and hosts "The car&bike Show" and "car&bike Awards," which are presented by India's leading auto journalist, Siddharth Patankar.

On the supply side, the company provides end-to-end services to various banks, NBFCs, and commercial partners to liquidate vehicle assets via its auction platform, as well as detailed vehicle inspections in 8500+ pin codes using the industry's best India Blue Book pricing algorithm and offers parking services at 700+ secured yards.

Das WeltAuto (DWA), the pre-owned car platform by Volkswagen Passenger Cars India

Das WeltAuto is the certified pre-owned car business of Volkswagen Passenger Cars India. It's a one stop solution that facilitates buying, selling and exchange of multi-brand pre-owned cars. It offers a comprehensive 154 check point inspection on pre-owned cars and enables customers to utilize the expertise and extensive network of 105 DWA outlets in making informed decisions.

The DWA platform also conducts the necessary due diligence and certifies the vehicle along with offering a warranty, service value packages, accessories options, extended warranty and maintenance program for its customers.

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