

Impact of Covid-19 on Two -Wheeler Market in India

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Abstract:- The Two-Wheeler industry's troubles began well before COVID-19 appeared on the scene. The Indian Two-Wheeler industry has been in trouble since mid-2018. The crisis started with a slowdown in production, which was aggravated by NBFC defaults. This resulted in a month-over-month decline in revenues. The COVID-19 pandemic has swept into nearly all Two-Wheeler markets. The auto industry has been hampered by a combination of demand and supply problems. There are, nevertheless, some beneficial effects. COVID-19 has brought about two good developments. The “Make in India” effort is being forced to invest heavily due to the China supply chain shock. The COVID-19 problem has shown flaws in the car industry's business strategy.

Keywords:- Two-Wheeler, Covid-19, Market, Demand, Supply.

I. INTRODUCTION

India is the world's second-largest manufacturer of two-wheel vehicles. Only Japan and China have a higher number of produced two-wheelers and domestic sales, respectively. This difference was formed based on a number of variables, including the Indian government's restrictive regulations, rising demand for personal mobility, public transit inefficiencies, and so on. The Indian two-wheeler business began in the early 1950s, when Automobile Products of India began producing scooters in the nation (API). Until 1958, API and Enfield were the only manufacturers.

Bajaj Auto started trading on imported three-wheelers and Vespa scooters in 1948. In 1960, in technical cooperation with Piaggio, it established a store to produce them. In 1971 the contract expired.

In the earlier stages, API dominated the scooter market and later Bajaj Auto overtook it. While many governments and private companies have taken up the scooter fight, LML is the only modern scooter player to last. International firms were not permitted to trade in India under the controlled system. It was a full sales market with a wait time of 12 years for a Bajaj Car scooter.

With only three manufacturers, Enfield, Ideal Jawa and Escorts, the bikes market was no different. During the Enfield bullet, Jawa and the Rajdoot were two-stroke motorcycles. Enfield 350cc and Escorts 175cc motorcycles were initially dominating the motorcycle market.

India is one of the only three-wheelers producing countries in the world. It is the world's leading three-wheelers manufacturer and distributor. Bajaj Auto has a domestic monopoly with a share of over 80 percent, and Bajaj Tempo, Greaves Ltd and Scooters India share the remaining monopolies.

As at 31 March 1998, India had a total of 27.9 mn and 1.7 mn, respectively, reported two roller blades and three roller blades. The population of the two wheels nearly doubled from 12.6 mn in 1990 in 1996.

Initial effects of the post-COVID-19 pandemic are likely to affect the public transport system as people avoid anywhere because of the worrisome potential for contamination with serious cases. Owing to this, the choice of an individual mobile phone is more likely because of its simplicity and its price point, with two-wheelers being the preferred or preferred alternative.

A new survey study has highlighted the fact that Indian Auto Giants are now focusing on the transition to private mobility. This paints a further picture on a massive scale of any future transportation developments in the Indian industry.

Auto shipments increased almost 33 percent from the highlights of fiscal year 2016-17. However, domestic car sales were almost the same as in the 2016-2017 fiscal year. Exports have undoubtedly given the segment a big boost, but the exact form in a post pandemic environment is still not clear. COVID-19 has almost destroyed the majority of car markets worldwide. Here's an overview of home prices.

Two-wheeler exports continue to be high and reflect steady growth over the past three years, in a period of declining domestic sales. We have also skipped some of the big festival sales windows in the entire Indian harvesting season, but we also look forward to the next major festivals. Such a situation has already occurred in China, where people began to ignore public transport after the breaking out of SARS. Many businesses now in India advise their staff not to use public transport and some also have sanitary private transportation for important workers who have to fly to their places of work on account of a demand for their roles. Employees are advised to attend offices within 1/3 day of the week, which also has opportunities for private or corporate use.

It is also predicted that many workers would choose to have private mobility choices until the labour market bounces back and reverse migration continues in many places. This will not only result in demand for new cars, but we also can see significant increases in second-hand 2W purchases in smaller-income areas. The only obvious concern is whether this market boom will eventually occur. In or near the end of Q4 by August-September?

The two-wheelers' automotive giants are still optimistic that those customers who relocate can search for alternatives in their range and stop public transport. If the legislation on personal two-wheeler financing and lending opportunities are further reformed by business and financial institutions, more customers would automatically be attracted to invest in these options over the long term.

With the GDP growth rate in India declining to -23.9%, the automotive industry is gaining a huge success. The unlocking window overlaps with the BS-VI standards and a large number of OEMs sell dealers and consumers a large percentage of discounts. Also, as automotive companies operate rates, the profitability effects of discounts would be high. The surplus of the old inventory and shortfall/cash-capital crunch with dealers is another big problem.

However, the modifications resulting from COVID-19 are promising. Make's campaign has also led the increasing location and transition to the business model of 'for the consumer, for the market' in India and AatmaNirbhar.

The growing impact of COVID-19 makes changing its expectations for the future important for sectors and businesses. This will be dynamically updated in accordance with customer behavior. We are hopeful that the Two-wheeler sector will play a key role in boosting post- and post-pandemic auto market, given and provided that we can further restrict private mobility options that are more accessible. Consumers will use it and increase their choices with adequate financing and loan options at their hands.

➤ *Covid-19 VIS-À-VIS Two-Wheeler Market-*

The Covid 19 pandemic could be felt one of the early impacts in the public transport system as travelers could step away from it in fear of contamination. Because of their ease, you are likely to opt for a form of personal mobility with two-wheelers. A recent HSBC article on the transition to personal mobility in Indian Autos has underlined this reality as well as some upcoming transport patterns.

The fact that those people who want to leave public transit are the ones who mainly use bus and trains to travel every day gives two-wheeler manufacturers some hope. Experts think the relatively reduced costs of a two-wheeler would be much better than a vehicle with an impending pay reduction considering the current conditions and financial institutions tightening the grip on the loans.

Sales of 77,849 units were announced by Suzuki Motorcycling India Pvt Ltd. (SMIPL) in April 2021, 11 percent of the 69,942 units sold this month. The April of this year's sales of the business are not equivalent to last year, when sales were affected because of the domestic lock down to prevent a pandemic of coronavirus. SMIPL said domestically in April this year it had a sales volume of 63,879, compared to 13,970 for exports. "It is highly rewarding that we posed 12% domestic growth and an extraordinary 57.5% expansion in our 2019 export volumes vis-à-vis the second surge of the COVID 19 pandemic in April," said SMIPL managing director Koichiro Hirao, "after all the uncertainties associated with this pandemic."

He also mentioned that Hayabusa, a first batch of 101 units booked within two days of opening bookings, started off the next financial year with the introduction of a brand-new 3rd generation version of its flagship sport bike.

Mahindra and Mahindra (M&M) said that their whole range of vehicles was extended to 31 July 2021 to include the warranties and operation. This extension will apply to consumers whose warranty expires between 1 April 2021 and 31 May 2021, as stated in a statement by the automaker. "Once again, the second wave of Covid-19 limited our consumers from sending their cars for planned service or repairs. In this moment of crisis, however, we stand by them and provide maximum assistance to them by extending the guarantee for all qualifying vehicles until 31 July 2021 "Senior Vice President & Head of M&M Automotive Division – Sales & Customer Care said. The firm wishes to give its clients a stress-free ownership experience, as it continues to have unlimited personalized sales and service support as well as wireless and contactless support.

II. LITERATURE REVIEW

J. Nayak, Mishra, M. Naik, B. Naik, H. Swapnarekha, K. Cengiz, and V. Shanmuganathan (2021), According to research, the automobile industry is on the front lines as a result of the epidemic's disruption to normal commerce, which throws the financial situation into disarray. Home and significant manufacturing centres, as well as the most important connections in the entire supply chain industries, are some of the most affected locations.

M. L. PB, D. S. RAYUDU THUNGA, and D. RAJU (2021)- The impact of the Indian economy's lockup, notably on the automotive sector, has been demonstrated. The results show that, depending on the length of the lockdown, the Indian economy is likely to lose between 10-31 percent of its GDP, with a daily output loss of Rs 2300 crore in the car industry.

III. DATA AND METHODOLOGY

For this paper the secondary data has been examined from various Two-Wheeler Companies Websites i.e. Suzuki Motorcycling India Pvt Ltd., Mahindra and Mahindra (M&M) and News Paper Article i.e. The Economics Time. The examination data set includes over past 3 years.

IV. OBJECTIVES OF THE STUDY

- To examine the impact of 19 on Two- Wheeler Market.
- To examine the factor infusing Consumer Purchase of Two-Wheeler.

V. FINDINGS OF THE STUDY

- *To examine the impact of 19 on Two- Wheeler Market.*

The car sector had its worst quarter in the past two decades in the first quarter of fiscal year 2020-21. Industry analysts predict a steady rebound in the second quarter of 2020, beginning in July, and a better buildup until the approaching holiday season. The two-wheeler category, according to statistics provided by the Society of Indian Automobile Manufacturers (SIAM) for the first quarter, was observed rebounding at a rapid rate.

Hero MotoCorp, the country's largest two-wheeler manufacturer, increased its market share by roughly 5% in the first quarter of FY21, surpassing 40% for the first time in almost five years (past 19 quarters). Total domestic two-wheeler sales climbed 16.88 percent to 20,53,814 units in October 2020, compared to 17,57,180 units in the same month previous year.

Due to the strong demand, two-wheeler manufacturing increased by 40.14 percent to 24,18,028 units in October 2020, up from 17,25,462 units in October 2019.

The industry grew by 22% and 19% sequentially in August and September 2020, respectively. Hero MotoCorp, the sector leader and the world's largest two-wheeler manufacturer, improved its position and raised its market share to 40.4 percent in FY20-21, up from 36.6 percent the previous year. Honda Motorcycle and Scooter India (HMSI) lost around 7% of its market share in the first quarter of FY21, falling to around 20% from 27% in the first quarter of FY20.

With no substantial change in its market share, TVS Motor maintained its 14 percent position. However, for the quarter ending June 2020, the business recorded a loss of Rs 139.1 crore, compared to a profit after tax of Rs 142.3 crore in the previous quarter.

- *To examine the factor infusing Consumer Purchase of Two-Wheeler.*

- *Cultural Factors*

The collection of beliefs, ideas, and attitudes that are accepted by a homogeneous group of people and passed down to the next generation is referred to as culture. What is acceptable in terms of product promotion is also determined by culture. What individuals dress, eat, live in, and travel depends on their culture. Cultural influences have the greatest and most profound impact on consumer behaviour.

The buyer's culture, subculture, and socioeconomic status all have a significant role. Culture plays the most important influence in determining a person's desires and actions. Through the individual's family and other major institutions, the developing kid develops a set of values, perceptions, preferences, and behaviour.

Nationalities, religions, racial groupings, and geographic areas are all considered subcultures. Marketers frequently develop goods and marketing strategies customised to the demands of various subcultures, which make up major market segments.

Social classes are hierarchically organised, largely homogenous, and long-lasting divisions in a community whose members share similar values, interests, and behaviour.

- *Personal Factors*

Personal qualities such as the buyer's age and life cycle stage, employment, economic position, lifestyle, personality, and self-concept also affect their purchasing decisions.

Over the course of their lives, people purchase a variety of goods and services. As a result, the family life cycle has an impact on consumption.

College students like to acquire new models with sporty appearance, which impacts their purchasing behaviour. As a result, it appears that a group's or individual's lifestyle has a major influence on their decision-making process while acquiring items.

Self-confidence, dominance, autonomy, sociability, defensiveness, and adaptability are all words used to define personality and self-concept. It is regarded as a beneficial behaviour in the study of consumer behaviour. A person's self-concept is formed by personality qualities and product or brand selections that are connected to personality (or self-image). As a result, the marketer strives to create brand images that reflect the target market's self-image.

- *Social Factors*

Social considerations have a considerable impact on consumer purchasing decisions. Reference groups, family, and position and status are all essential social variables. Every person is impacted by the environment in which he or she lives. Every customer is unique, but they all belong to a group. People are impacted by groups in a variety of ways, such as when they expose an individual to new behaviours and lifestyles, or when they generate a sense of conformity, which may influence the person's real product and brand selections.

VI. CONCLUSION

In a period of falling domestic sales, two-wheeler exports have remained strong and have shown consistent increase over the last three years. Many companies in India now encourage their employees not to take public transportation, and some even provide hygienic private transportation for essential employees who must fly to their places of work due to a demand for their services.

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