

IMPACT ON THE SALES OF AUTOMOBILE INDUSTRIES DURING COVID-19.

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Abstract

The pandemic disturbed the whole value chain of all the major industries in India resulted in the closing down all the important OEM (original equipment manufacturers). The study finds the causes of impact on the sales of automobile industry. The main objective to analyse the sale of MARUTI SUZUKI, TATAMOTORS, AND HONDA during covid-19. To analyse the adverse effect this deadly virus on the sales of automobile sector.

1.INTRODUCTION

Corona virus went into our country by finish of the year 2019 and impacted the wellbeing of innumerable people and pandemic status was proclaimed also. Since December 2019, there suddenly there was an increase in the pneumonia cases due to the unknown cause and it was first announced in Wuhan, Hubei Province, China (Wang et al. 2020). And later it was found that, novel Covid, SARS-CoV-2, was the cause of infection for the pandemic in China and many other regions worldwide by the World Health Organization (WHO). In India, Corona virus was pronounced as a pandemic on March 11, 2020. Covid-19 has impacted more than 4.5 million individuals all over the planet (WHO, 2020). This new pandemic condition is unfortunate and unpleasant for every individual due to the rapid rate of death due to covid 19.

1.1 CORONAVIRUS

Covid is a communicable disease which is caused by SARS-COV-2 virus. Generally individuals suffered by this virus experience breathing issues and get well soon without any specialized treatment. However, some became seriously ill and have to go through medical attention. Elderly persons and those already have any underlying diseases like: cardiovascular disease, sugar patient, Chronic respiratory disease or cancer are more

likely to get seriously affected by this disease. As we all know prevention is better than cure So, the best possible method to control or to slowing down transmission is to be well informed about the disease.

The 1st case of COVID was identified in Wuhan, China in December 2019. Since then this virus has spread all over the world within no time., leading to an ongoing pandemic. There are no precise symptoms of COVID-19 it can vary from fever to cough, cold headache, laziness, respiration issues and lost smell and taste.

The pandemic majorly affected various industries including automotive sector. The pandemic (coronavirus), spread from China to other area of planet and had severe adverse affects on all aspect of society. With the WHO declaring the covid-19 outbreak, a pandemic, an exceptional global description is at hand, Automobile and component manufacturing plants all over the world have reduced considerably.

The global economic trade impact of pandemic on automotive industry is severe, and Indian automotive sector has also got badly affected by it.

1.2 AUTOMOBILE INDUSTRY IN INDIA

Indian automotive industry is an important contribution to economy of India and important element of macroeconomic growth.

With supportive government and good domestic demand, India has become 5th largest auto market in 2019. It was the 7th largest manufacturing of commerce vehicle in 2019.

Covid 19 outbreak has resulted into the economic crisis globally not experienced since 100 year. Indian government has taken sincere efforts to curb this pandemic, and has imposed national lockdown.

With the help of lockdown we were able to control the extend of severity of Covid-19 but this lockdown has adversely affected the economy disturbing all the main Industrial sectors in India. The automobile industries are among them, who got severely affected. the automobile sector was already going through a slow down over the last couple of years due structural changes starting with GST, axle- load reform, Bharat stage –IV (BS-IV) to Bharat stage -VI(BS-VI) transition and so on. The COVID-19 shut down had numerous effect. A sustained stoppage of demand from consumer due to lockdown resulting into significant drop in the revenue of automobile sector.

The covid19 pandemic has had a shift and adverse affect on the global automobile sector, not a single day has gone when the manufacturers either forced to operate with minimal workforce or shutting down the unit. Symptoms include a disruption in Chinese parts export, large scale manufacturing interruptions across Europe, and the closure of assembly parts in the America. The pressure on automobile industry is building up which is

already dealing with the down shift in global demand, and likely leading to increased merger and acquisition activity.

2. Review of Literature

ANKUR RASHTOGI (2013)- Explained the changes in the structure of Indian automobile industry in the context of liberalization and globalization. earlier there were less innovation in the field but it is one of the fastest growing manufacturing industries in India.

Krishnaveni (2015)- This paper is explained the sales and export pattern of Indian automobile industry. it is reflected that there is remarkable increase in the passenger vehicle. the export of India in automobile sector are showing continuous increasing trend,

Nikita Arya (2019)- Automobile industry is one of the key drivers of the micro economic growth in India and also for the technological advancement. India is one of the fifth largest manufacturer over all. it is estimated that by 2030. The Indian automobile industry will be third largest after China and USA.

Smita Maglani (2019) - In 2017 there is a huge contribution of automobile industry for economic growth of our country. For future growth in automobiles, sector has to relay on up-gradation, digitization and automation.

Sunil Kumar (2020)- Explained that coronavirus has produce an unstable environmental over the world. This is called a pandemic by world health organisation. All over the world it has stopped many of economic activities due to categories nature and has no cure. it has produced severe economic impact on globe and India. every sector in India is separately affected, mostly whose impersonations is with China.

3. Research Methodology

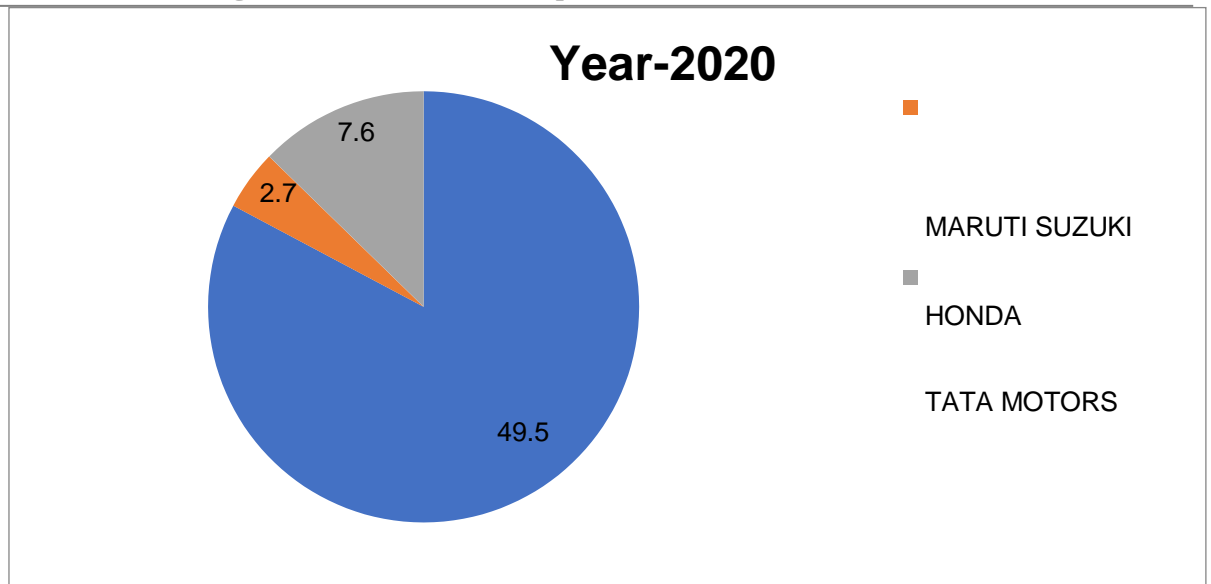
For the study secondary source of data has been used, collected from the various sources like: Journals, Newspaper, website and Research papers.

In order to develop profound understanding of the research topic and to collect in depth data Investigation research was chosen.

4. OBJECTIVE

- To analyse the sale of MARUTI SUZUKI, HONDA, TATA MOTORS during covid-19.
 1. According to our first objective we clearly show the Sales of automobile industries in India.

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Chart-1: Distribution of sales of different companies

Chart -1 explains the ratio of sales analysis of Maruti Suzuki, Honda and Tata Motors in the year of 2020. It clearly shows that Maruti Suzuki holds the major share 49.5% of total market sale which is almost half of the total sales in that year whereas Tata motors comes second with 7.5% contribution of the overall sale. Honda holds the least contribution among all with only 2.7% of the total sale.

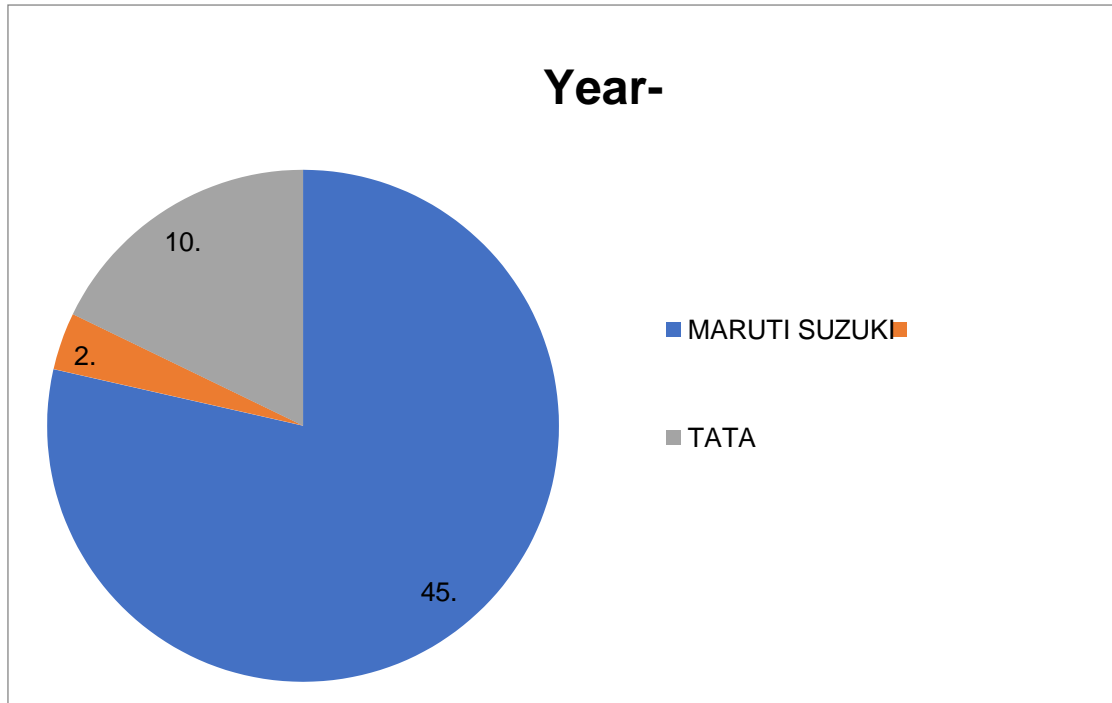


Chart-2: Distribution of sales of different companies

Chart -2 explains the sales ratio of Maruti Suzuki, Honda and Tata Motors in the year of 2021. It clearly shows that Maruti Suzuki holds the major share 45.4% of total market sale which is almost half of the total sales in that year whereas Tata motors comes second with 10.3% contribution of the overall sale. Honda holds the least

contribution among all with only 2.1% of the total sale.

1. To study the impact of COVID on the sales of the automobile industry.
2. According to our second objective we identify the impact on the sales of these industries.

HONDA MOTORS announced that the spread of corona virus disease 2019 has caused the global economic slowdown and also affected Honda's financial results.

TATA MOTORS registers 40% drop in sales amid COVID-19 crisis, this drop in sales was already forecasted because to tackle the increasing number of corona virus cases most of the states announced lockdown like last year.

MARUTI SUZUKI India (MSI) largest carmaker company in India has registered 4% decline in total sales on May,01, 2021. Total sales declining to 159,691 units in April as compared to 167,014 units in march this year due to the outburst of COVID-19 cases hit dispatches.

OEM	YoY			MoM			Market Share Change		
	JULY'21	JULY'20	GROWTH	JULY'21	JUNE'21	GROWTH	21	20	DIFF.
MARUTI SUZUKI	1,33,732	97,768	36.8%	133732	124280	7.6%	45.4	49.5	-4.0%
HONDA	6055	5383	12.5%	6055	4767	27.0%	2.1	2.7	-0.7%
TATA MOTORS	30184	15012	101.1%	30,184	24111	25.2%	10.3	7.6	2.7%

Table-1

Table 1 Tells us about the sale of Maruti Suzuki, Honda and Tata Motors during pandemic phase in the year of 2020 and 2021. It shows that the overall sale of Maruti Suzuki dipped by 4% in 2021 from preceding year 2020 and same for the Honda dipped by 0.7%. Whereas sale of the Tata Motors increases by 2.7% in the same duration.

5.CONCLUSION

Automobile industry is the leading share holder of the Indian market which hikes the India GDP. From the above data that shows after the pandemic situation in INDIA. The car sales had faced a huge cause because people have never faced a situation like this before and they can't even able to afford the cars OEM have to work a lot to between to full production capacity and also to maintain the sale. This is placing intense pressure on the organisation which were already facing down ship in global demands. As per an article of New York times, the pandemic well completely changes the auto industry but companies are growing up to face the challenge as posed by pandemic not only in India but all over the world.

Recommendations:

- Due to the corona pandemic it is believed that recession will hit again and GDP will continue to decline as The economic growth directly affect the growth of automobile industry.
- Rather than increasing the stock of vehicles it is recommended that the automobile industry should focus on research and development with respect to ADAS and ADS In order to make driving safe and secure automobiles requires infrared as well as thermal cameras. But this increased number and types of cameras burdens the system.. thus, the researchers must focus on developing some single entity and technology so that different types of cameras and sensors can operate using the same.
- The automobile industry need to implement some innovative business strategies on the vendor/dealer side to prevent further loss in industry , i.e., Providing the cars for rent, services of drivers will create a new source of economy.

Findings:

Impact of covid 19 pandemic on automakers worldwide is huge, and the sales have drop down to a considerable extent. it is expected that it is going on to continue in next three years, and therefore certain deep strong steps need to be taken by the automobile industry, remarkable in India.

Automobile industry in India has reported a single digit decline in OEM in India will able to handle the challenge with the supply chain. Various reforms are being taken by the automobile industry key players to handle the situation.

For new reforms such as electric cars and related starts ups can come up fast in near future, however automobiles manufacturers will encounter more pressure to spread around the cost of developing electric cars and other new technologies.

They also expecting that government might come up with special incentive for domestic automobile industry.

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