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## Pre-Owned Car Market in India: An Overview

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### Abstract

In this era of transformation, four wheelers are nowadays an indispensable rather than symbol of status for every individual. It was in 1898 that the first motor car rode down India's roads and until the First World War, about 4000 cars were directly imported to India from foreign countries. The Hindustan Motors was set up in 1942, to manufacture automobiles in India. The second-hand vehicle trade in India has been a vibrant one since early times. After market Automobile Industry witnessed the boom in recent years. Jagadish Khattar the founder of Carnation Auto, a service and used-cars Company and the former Managing Director of Maruti Udyog Limited said "Rich people buy new cars, intelligent people buy second-hand car" Crisil an India's leading rating agency Research, in a note released in September 2012, forecast that annual used car sales will treble to about 8 million units by 2016-17, making it a 1.5 trillion rupee market. The studies explore the structures and functioning of Pre-owned cars market in India, This new trend of pre-owned car market has started a long back but recently with the introduction of the branded showrooms has increased the demand for pre-owned cars in our country. The purpose of this study was to investigate the structures of pre-owned car market and the different market players involved in the supply chain for these used vehicles. An attempted has been made to gain an insight into the experiences of Indian businessmen in the used vehicle market.

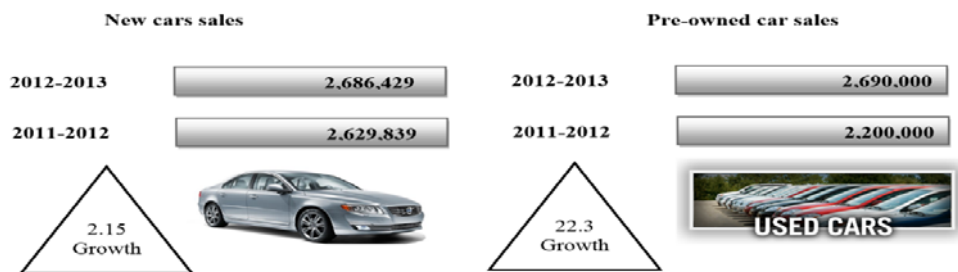
**Keywords:** *Automobile industry, pre-owned cars, secondhand car, used car, resale, consumer buying behavior, income, gender, purchase intention etc.*

### 1. Introduction

India holds the 15 position in largest passenger car markets globally, by 2016 Indian expected to become top 10 markets internationally. After independence, many multinational manufacturers have set up their operations in India. The latest movement of new cars on the Indian road has led to the emergence of an entirely new market in the pre-owned cars segment. Also, the pre-owned car market is set to grow at a CAGR of 18-20% end of 2015.

There cannot be a second opinion on the fact that the automobiles have become the indispensable part of our life. Today world over development of automobile is just beyond imagination these years. It is barely an indicator of country economy, but an individual's development chart can be measured on the grounds of the automotive vehicles used by him for day to day work and also for delight, status and fashion as well. The vehicle industry in India is one of the largest in the world and one of the fastest growing globally. It is also considered as a most profitable industry worldwide. According to the reports of Society of Indian Automobile Manufacturers [SIAM], annual car sales are anticipated to attain 5 million vehicles by end of 2015 and more than 9 million by 2020. To trust New York Times reports, a number of automobile corporations like Nissan, Hyundai Motors, Toyota, Suzuki and Volkswagen have expanded their manufacturing amenities due to India's strong engineering base and expertise in the manufacturing of cost-effective, in terms of fuel-efficient cars.

Used car sales during 2011-12 and 2012 and 2013



Source: Hindustan Times dated Aug 1, 2013

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Last year, for the first time, Indians bought many new cars as pre-owned ones. During 2012-2013, Indians bought 2.69 million used cars, an increase 22.3 over previous year. Compared this 2.68 million new cars were sold, a meager 2.2 more than the previous year.

The shift in preference is attributed to two factors- the lower cost of used cars, and proliferation of organized chains selling pre-owned cars, that provide warranty. While new car sales continue to stagnate, the above sales graph for used vehicles is moving upwards.

Secondhand cars are also being sold like hotcakes. Pre-owned car segment has emerged as one of the major industries not only India but as well as globally. A recent analysis illustrates, the annual pre-owned car demand in the Indian market is around 10, 50,000 cars. To gain from the affluent trend, leading organised manufacturers like Automartindia Ltd and Maruti's True Value have made a foray into the pre-owned car business. Unlike other unorganised corporation, every provide assurance of guarantee, accurate ownership and accident certification to their customers and sellers along with better quality and advantages like warranty period and free repair services. The new brands which are introduced in the market over the years it will be sold in seconds, this trend is more emerging due to availability of new brands, In recent past few years around 75 latest pre-owned cars models variants have been launched in India to cater to the needs of the pre-owned cars buyers. Many car owners want to change their current car with the newer brands. Thus pre-owned market has been creating large income.

There are various criteria applied in the market in selling of the pre-owned car. Any person idea to purchase used car does so, mainly with the purpose of investing take away cost, otherwise, he or she have to pay hefty for the new-car buying. Mostly, the price factor is based on the year of make and according to the market development. Of course other things are also concerned in the whole process of the purchase or sell.

Earlier, consumers bought used cars only through their circle of friends and relatives. Later, small dealers started entering this market. Considering the growth prospects of this market and to cater to the demands of Indian consumers, some organized players have also started entering this market. Organised players have made the whole process of buying and selling a lot simple easier and transparent

## 2. Literature Review

Most of the studies are in the form of research papers, reports, and published articles in newspapers. But most of these publications have been carried out in the foreign countries, as pre-owned car concept is still in the nascent stage in India.

However an attempt is made to review the previous studies related to pre-owned cars and emerging second hand market has been reviewed in the following pages.

**Nikhil Monga, Dr. Bhuvnender Chaudhary s and Saurabh Tripathi (2012)** <sup>[1]</sup> opined that the new car entrant companies in India to find out the possible gaps between the customer expectations and the present market offerings. The researcher has used primary research and the information gathered from both primary and secondary research. The research has analyzed the applicability of existing research concepts, theories, and tools for evaluating consumer satisfaction.

**Pablo A. Muñoz Gallego Eva Lahuerta Otero (2010)** <sup>[2]</sup>: has revealed some very interesting data about the sector.

Among buyers, 66.4% turn to the second-hand car market as a first option and consider price to be its main advantage (87.5%), followed by the guarantee (4.61%). 62.7% of buyers in this market acquired the vehicle they were initially looking for, although 14.7% of respondents still maintain that one cannot be sure of the condition the vehicle is in when buying it.

**Duvan and Aykaç (2009)** <sup>[4]</sup> Investigated the used car business, particularly in the US, Europe and Turkey, and highlighted that the dealers and manufacturers with successful used car operations make strategic investments in technology to improve customer experiences and build trust that forms the basis of their ability to compete with lower priced independent dealers and private sellers.

**Ramachandran et al. (2008)** <sup>[5]</sup> Found that the availability of different types of online information has a significant impact on consumers' choice of certified used cars and price paid. As long as the cost of providing information is low, the online infomediaries can have a significant impact on the buyer as well as the seller behaviour in the traditional market for used cars. In particular, traditional dealers selling non-certified used cars benefit when consumers obtain more transaction and alternatives-related information. On the other hand, sellers of certified used cars benefit more when consumers have increased access to reliability and features-related information.

**Barris Mike (2008)** <sup>[6]</sup> his article supports the prediction that cars produced by Japanese manufacturers will have higher perceived quality along with slower depreciation rates and thus higher resale value.

**Andrews and Benzing (2007)** <sup>[7]</sup> analyzed how auction, seller and product factors influence the price premium in an eBay used car auction market. For auctions that resulted in a sale, cars with clear title and dealers were able to secure significantly greater price premiums. Using a binary legit model, the study revealed that cars had a greater probability of selling if the seller had a better reputation.

**Raja and Suresh (2006)** <sup>[8]</sup> ranked the small cars on sales support, vehicle design, purchase support, cost of ownership and delight features as underlying factors of customer satisfaction.

**Giriprakash (2005)** <sup>[9]</sup> opined that entrepreneurs have a huge opportunity in the pre-owned (used) car market, which, for the first time, is expected to outpace the new car market in the coming years.

**Kiley (2002) and Rusert & Wiseman (2003)** <sup>[10]</sup> have listed various advantages that the Manufacturer certified Pre-owned vehicle programs offer to the manufacturers and to the buyers. Some of these are that the Manufacturer Certified Pre-owned Programs are designed to give buyers the chance to purchase a pre-owned car with complete confidence by offering some or all of the benefits like comprehensive vehicle inspection, extended warranties, strict qualification guidelines, roadside assistance etc.

**Varadajan and Yavadav, (2002)** <sup>[11]</sup> In their research opined that knowledge of the advantages and drawbacks involved in the use of the Internet is very important for second-hand car dealers, as the reason for adopting a new strategy is to gain a

competitive advantage (differentiation and/or higher profits) in the market.

**Sengupta (2001)** <sup>[12]</sup>: Maruti Udyog Limited has fixed a target residual value for each car, each model and also charted out 120-points checklist to shortlist the merits and demerits of the vehicle and according to it, the price is lowered from the target residual value,

**Lee H.G et al. (1999)** <sup>[13]</sup>: In their research found that prices for second-hand vehicles were higher in the online market than in traditional dealers. The reason was that online transactions were risky because the buyers had to buy the vehicles without a physical inspection. This high risk on the perceived qualities of the second-hand cars made purchasers focus on high-quality products only. That is, the vehicles offered online had fewer miles/kilometres than those offered in traditional establishments. This difference in the quality of the vehicles offered was the main reason for the price difference between both markets.

**(Lance, and Luis Troyano-Bermudez 1996)** <sup>[14]</sup> addressed both the influence of perceived quality as well as hybrid technology and its importance to car manufacturers. If one increases the perceived value of a car, sales will increase in both the initial sale of the car as well as the resale value of the used car, thus making the car a better investment. The article suggests that perceived value is improved by optimising performance, quality and price.

**Purohit (1992)** <sup>[15]</sup> Explored the relationship between primary markets for new cars and secondary markets for used cars and found that the depreciation of used cars is influenced strongly by the types of changes in the new model cars.

**Swan (1980)** <sup>[16]</sup> This argument relies on the assumption in the Swan (1970, 1972) papers argued that "it is not the existence of a second hand market per se which need imply any restraint on the profitability or pricing decision of the monopolist. The pure monopolist is paid an amount which reflects the net present value of the stream of services to possibly a whole host of future owners."

**Akerlof's (1970)** <sup>[17]</sup>: famous "lemons" model, concentrating on lemon cars, demonstrates that there is a negative correlation between the used good's quality and its volume of trade. More precisely, older goods are traded more frequently. The underlying factor for this is information asymmetry occurring in secondary markets as the seller knows more about the product than the buyer. He backs up his proposal as Gresham's law has indicated that "Bad money drives out good". Similarly, the "bad" cars tend to drive out the good and most cars traded will be the "lemons," and good cars may not be traded at all.

### 3. Objectives of the Study

1. To study the nature of Indian pre-owned car industry.
2. To know the reasons behind boom in the used car business in India.
3. To understand the before and after sales services provided by unorganized and organized pre-owned car dealers.
4. To critically examine the growth of pre-owned car market in India.
5. To present the future prospects of pre-owned cars market in India.

## 4. Research Methodology

The present study is based on secondary data. The data and the information needed for the study is gathered from research publications, case studies, presentations, e-books, insights and reports The Society of Indian Automobile Manufacturers (SIAM), The Automotive Component Manufacturers Association of India (ACMA), Federation of Indian Automobile Associations (FIAA), overdrive, motoring, car trade.com, olx.com, quikr.com etc

### 4.1. What is a Pre-Owned Car?

A pre-owned car, a pre-owned vehicle, or a second hand car, is a vehicle that has previously had one or more retail owners. Pre-owned cars are sold through a variety of outlets, including franchise and independent car dealers, rental car companies, leasing offices, auctions, and private party sales. Some car retailers offer "no-haggle prices," "certified" pre-owned cars, and extended service plans or warranties.

### 4.2. Advantages of Buying a Pre-Owned Car

Purchasing a pre-owned car has lot of benefits. Some of them are listed below:

- The value of a pre-owned car is considerably lower than a new car,
- The depreciation cost is lesser as compared to the new car,
- Pre-owned car loans are simpler, easily available and cost lower than the new car loans
- Pre-owned car can be modified according to the owner's preference.

### 4.3. Indian pre-owned cars market

In India, nearly 80 percent cars are bought on loan. Cars, like many other consumer goods have their resale value as a significant parameter driving sales. The amount your car will fetch in the used car market is important because it's this amount which will partially fund the purchase of your next car later. If you get a good resale price, your loan for the new car will reduce accordingly.

Quikr, India's leading online classifieds company, has Cars as one of its busiest categories. Being in the car resale service for over five years it was time to have a look back. A research was carried out on the online data created from the ads posted by consumers in the last 1 year in the cars category. Four brands of cars with the most number of ads on average were picked for some in-depth research. These were Chevrolet, Honda, Hyundai and Maruti. Visibly, having different price belts, these brands also form a price segregation of sorts. The cars were up to a maximum of 10 years in age.

It was discovered that most brands show a typical resale lifespan of 5-6 years. While the total demand for used cars was askew towards certain brands, the time taken to sell a used car was around 20 days and consistent across different brands and price segments. Resale value of medium to premium segment cars fell faster compared to entry segment cars. Details of the above findings and more are shared in the sections below.

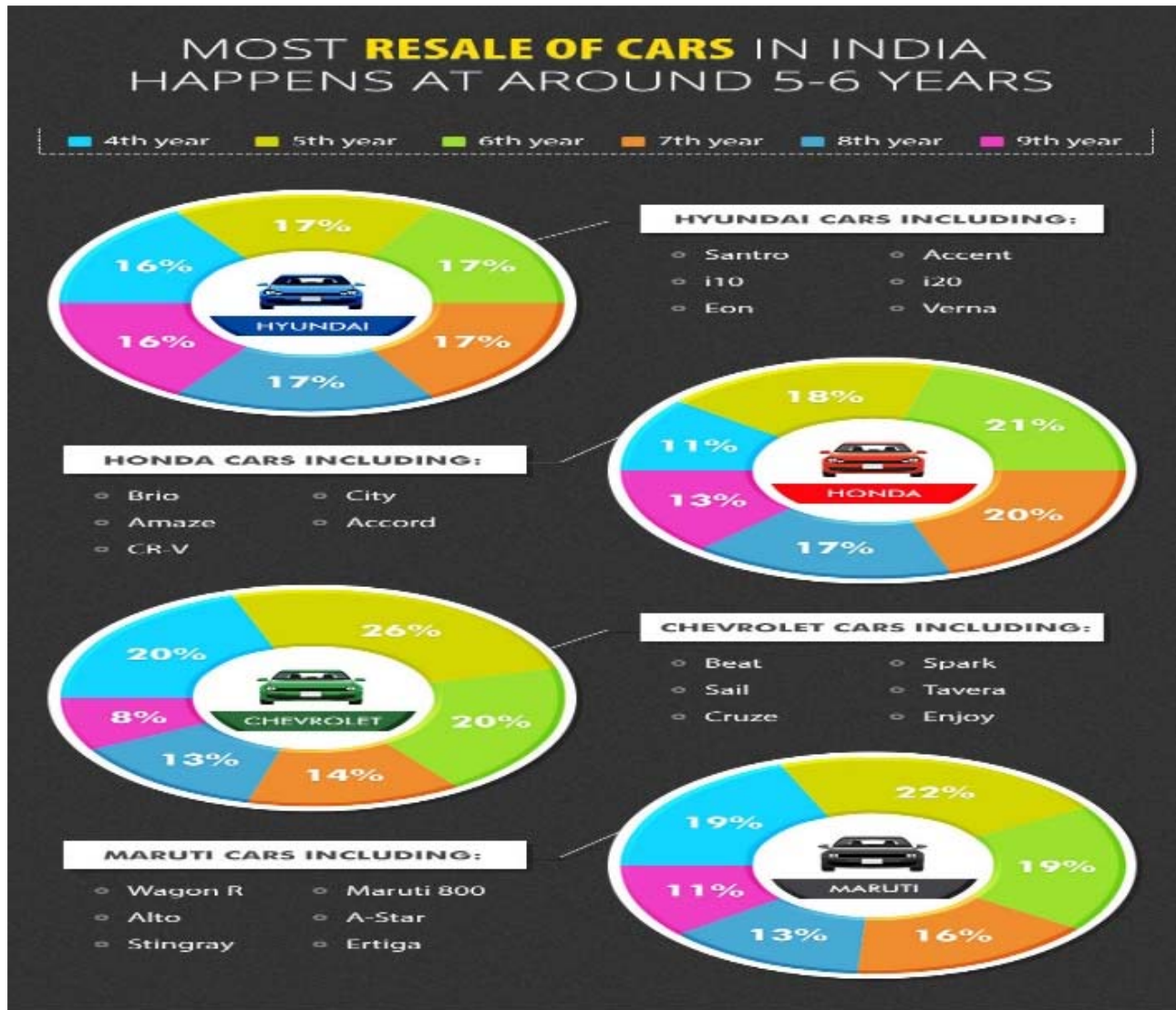
### 4.4. In India, used cars have a best resale lifespan of around 5-6 years

The adjacent infographic summarizes the percentage of used cars by age for sale on Quikr all over India for each of the four brands. Hyundai, stands out as a clear outlier from the general trend and stays resale friendly for a considerably long period from the year of make. While Chevrolet and Maruti, after approximately 5 years fall fast in resale strength, Honda does so comparatively slowly and after 6 years.

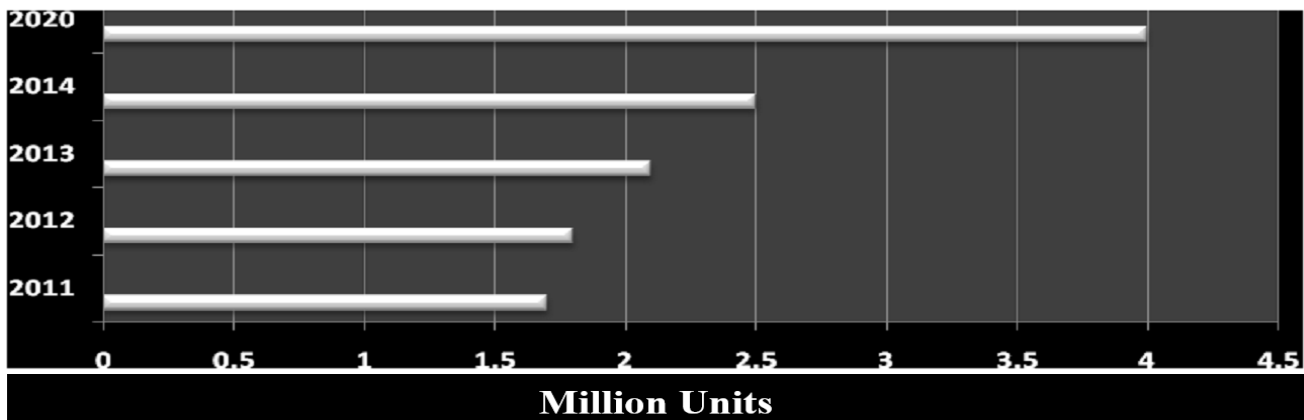
Since beyond the 5-6 years age period the prices generally fall, we see that more than 50% of the cars are back on the resale market by their 6<sup>th</sup> year. The trends show that the

average period that a car spends with their first buyer is 5-6 years, which seems to be the purchasing cycle for most of the car brands.

**In India, used cars have a best resale lifespan of around 5-6 years**



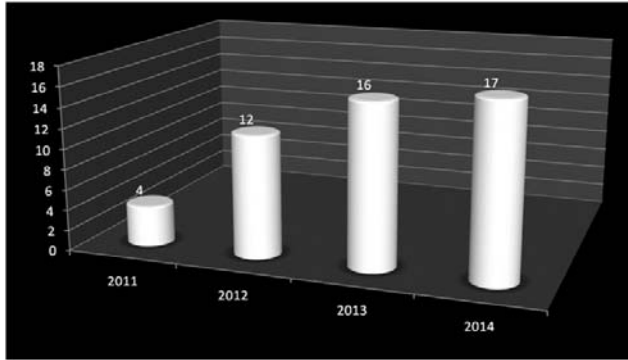
**A used car now sold for every new car purchased in India old for every new car purchased in India**



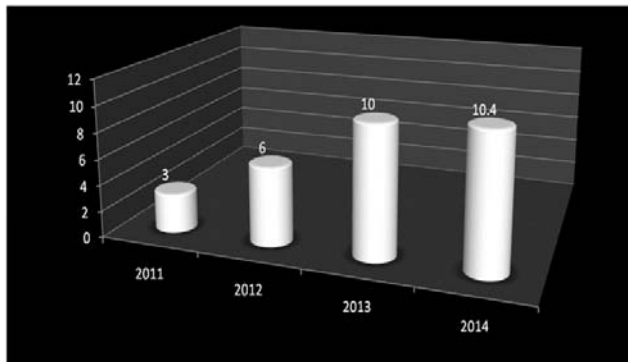
Source: Economic Times by Nabeel A Khan, ET Bureau | 25 Nov, 2014.

## Types of Buyers

First time buyers in years (%)



Replacement vehicles in (%)



The Indian car market may still be facing the dismaying prospect of reporting a drop in sales for two consecutive calendar years, but demand for used cars is on the rise as several first-time buyers now consider second-hand vehicles. Carmakers Maruti Suzuki, Toyota Kirloskar and Mahindra & Mahindra have all reported impressive growth in their used-car business.

For every new car sold in the country so far this year a used car was also sold, according to consultancy and market research firm Frost & Sullivan. It expects sales of both new and used cars to be 2.5 million units each this year. In developed markets, the ratio of new passenger vehicle sales to used passenger vehicle sales is 1:3.

According to global market research firm JD Power, the percentage of first-time car buyers considering used vehicle in the country has increased to 17% in 2014 from just 4% in 2011. The rise in used car sales comes at a time when new vehicle sales are struggling. India's annual passenger vehicle sales dropped for the first time in 11 years in 2013 and even this year trends show flat, if not lower, sales.

JD Power has suggested that the young customers are turning to the used car market to jump segments and purchase sedans and premium hatchbacks over entry-level cars.

Maruti Suzuki India's pre-owned car business True Value recorded a growth of 36% in the first half of this year while Toyota's used car division UTRUST has been growing 20% in the past few years. "Customers do consider used vehicle as an alternative option and this has been an increasing trend in the recent past," said N Raja, senior VP and director for sales & marketing at Toyota Kirloskar. Mahindra First Choice, the pre-owned vehicle business of M&M, is growing four times faster than the new car sales, said Nagi Palle, CEO at Mahindra First Choice Wheels. While the new car market has grown 4%-5% so far this fiscal, MFC has grown about 20%

year-on year, he said. Palle estimates that the organised used car space has grown at about 15%.

At present, mostly entry-level car buyers go for pre-owned cars. Industry insiders cite two main reasons for the growth in used-car business. First, economic uncertainties have made many prospective first-time car buyers cautious about spending money, hence, many are actively considering used cars. Second, most carmakers have developed a branded used car business that allows customers to buy pre-owned cars certified by original manufacturers and backed by warranty. "In challenging times of inflation, high interest rates and high fuel prices, many first-time buyers also seek pre-owned cars," said Rakesh Srivastava, senior VP at Hyundai Motor India.

### 4.5. Reason for pre-owned car market growth:

The market for used cars in India is growing exponentially day by day. With this, the markets for new cars rejoice the success. There are various factors which have forced the growth for used cars and have shifted the sector from unorganized to an organized one. Previously, the used automobile sector was characterized by the lack of choice and transparency because of dominance of small dealers, car mechanics, and owners for private cars. The unorganized sector for used cars gave very limited choice of used cars for buyers. But the things have changed completely in the recent times with the sudden shift from an unorganized to an organized sector.

Various factors have attributed to the growth of used car market. Below are the reasons:-

1. Nowadays, it is simple to get a loan for car with the floating interest rate of 8% and 12%.
2. The newer generation has adapted a trend for changing the existing car within the two/three years.
3. Younger generation prefers new look of car, and thus prefers selling of the existing one and get a great exchange offer by buying a newly launched car.
4. The owners get a high merchandising value for their cars perhaps; the owners are not reluctant in selling their car. This depends on the merit of car and the way cars have been maintained.
5. Used car buyers get lots of options in the used cars with different models, colors, types along with various preferences.

The car markets have also changed a lot when compared with olden days. There has been a huge sale for used cars each day according to various studies made on used cars. There have been various car schemes and programs launched for new car buyers. New car purchasers can exchange with their existing car with substantial discounts. Buyers have a choice for selection with the vast fleet of cars. The used automobiles are checked thoroughly and are renovated by skilled engineers for better resale value. This leads to a higher level of satisfaction among old car buyers. The market for used cars has been structured and organized recently and the same is expected to zoom widely within a decade. There has been a tremendous growth with various car manufacturing companies entering into the business of used cars.

For Indian market the best commuting solution is buying a used car as it fits into the budget for Indian masses. In addition to this, it also offers lower interests rate with easy financing deals. According to researchers, there is no official statistics maintained on used car sectors in India, but auto and car dealers assume that the used auto markets have a bright future and hence will be very advantageous for Indians and for their convenience. Few car companies have estimated that,

used car sectors have registered a significant growth when compared with new cars. In the current financial year, used car markets have touched great heights. According to media, big car brand companies will enter into the resale sector very soon. These companies will focus on middle class Indian masses at all times.

The leading car manufacturers have also shown interest in the used car segments like the Maruti, Mahindra followed by the Honda, Hyundai and the Ford. The true value program of Maruti, Mahindra first choice, Hyundai Advantage, Honda Auto Terrace and the Ford Assured have given lots of contribution to the used cars in India market. Even other big manufacturers like the Tata, General Motors (GM) as well as Mercedes Benz have shown interest and entered in the market of used cars.

**4.6. Used Car Retail Market in India**

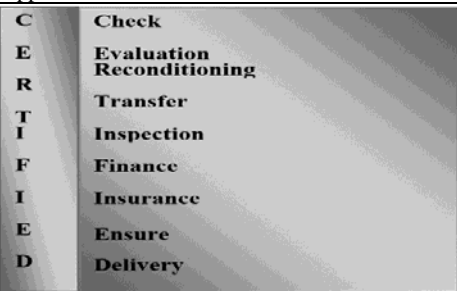
For retailers, the licensed used car outlets provide the finest market cost besides meticulous evaluation by professionals and an alternative to select from any other car short-listed in the car-maker's portfolio. These certified retail outlets also

provide extended warranty period to its customers on the basis of the brand outlet, used car insurance, assistance tariffs, and utilization of OEM parts during the repair services, delivering world-class quality and detailed inspection by expert technicians. In addition, the purchasers get to drive back a car at attractive price after getting concession from the manufacturer.

Industry experts believe that 51% of the used car sales will be included under the structured car market. Keeping this in consideration, Mahindra is laying market strategies to enhance its retail numbers to 300 outlets in the next 3-5 years.

Maruti True Value has already set-up 275 retail outlets in the country and is all set to raise the numbers to a few hundred more in the coming years. Other car-makers are also willing to follow the trend and are planning to extend the used car retail outlets into II tier metropolis in a short span of time Car makers have realized the potential of used car market and making it mandatory for their wholesalers to operate used car outlets also. Besides exhibiting multiple brands, the branded used car retailers are also offering one-stop shop for all inquiries.

**Major Organized Pre-owned cars sellers in Indian**

Major Players	Emphasis	Benefits offered by the Certified Pre-Owned Car seller
Mauti True value	Every Maruti True Value goes through 120 Quality checks, only select cars meeting all the quality standard are then sold under True Value Brand	<ol style="list-style-type: none"> <li>1. Initiation Qualification Inspection</li> <li>2. After Road Test Inspection</li> <li>3. Interior</li> <li>4. Dashboard inspection</li> <li>5. Road test inspection</li> <li>6. Exterior inspection</li> <li>7. Underbody inspection</li> </ol>
Ford Certified Pre-Owned	Certified Pre-Owned Ford vehicle, we put every car on test. Only the vehicles that pass our 172-point inspection become Ford Certified Pre-Owned (CPO) vehicles.	<ol style="list-style-type: none"> <li>1. Warranty – In addition to 12 month/12,000-mile Comprehensive Limited Warranty coverage.</li> <li>2. 172-Point</li> <li>3. Vehicle History Report</li> <li>4. Roadside Assistance –That’s 24 hours a day, 7 days a week,</li> </ol>
Toyota U Trust	Toyota U Trust Program. Our main aim is to provide the used car buyer and sellers an experience at par with New Car buyer.	<ol style="list-style-type: none"> <li>1. Each vehicle qualifies detailed Toyota quality standards.</li> <li>2. Certification &amp; warranty program for Toyota vehicles.</li> <li>3. Accident free vehicles</li> <li>4. Odometer Guarantee</li> <li>5. Special Finance rates</li> <li>6. Trouble-free handling of your transaction, document transfer.</li> <li>7. Verified Documents &amp; Seller credentials.</li> </ol>
A Tata motors Assured	Tata Motors Assured certification All certified Vehicles undergo a rigorous inspection process Conducted by Tata Motors-trained technicians. Each inspection is required to adhere to strict, set standards to ensure that every vehicle's engine, chassis and body is in good condition.	<ol style="list-style-type: none"> <li>1. A Tata motors Assured vehicle stands for more than just a warranty,</li> <li>2. using genuine spare parts accompanied with bonafide documentation.</li> <li>3. Only Tata vehicles are certified</li> <li>4. Shouldn't be more than 7 years old</li> <li>5. Shouldn't have been owned by more than two people</li> <li>6. Shouldn't have met an accident</li> <li>7. Shouldn't have been used in Taxi/Commercial applications</li> </ol>
Chevrolet Certified	We have designed our used cars program keeping in mind the customer's expectations and concerns on Quality, Safety, Reliability, Transparency, Value for Money, Peace of Mind and Experience, at par with new car buyers.	

Hyundai 'H Promise'	Hyundai 'H PROMISE' is for Trust, Transparency and Convenience to their customer who want to buy Hyundai approved used car	<ol style="list-style-type: none"> <li>147 points check</li> <li>Hyundai backed warranty 1 year or 20,000 KM (whichever earlier)</li> <li>2 free services</li> <li>Cars refurbished with Hyundai Genuine Parts</li> <li>Seller's bonafides are verified</li> <li>Transfer of RTO papers in buyer name Buyers gets warranty booklet and certificate</li> </ol>	
Mahindra First Choice Wheels	At Mahindra First Choice Wheels our constant commitment has always been towards providing you with only the highest level of quality when it comes to your used car experience. That is why, we offer you the luxury of four of our unique Warranty products for your used car.	Type of Car covered	Certified car
		No of Kms completed	Upto 1 lakh Kms
		Age of car	Upto 10 years
		CNG or LPG	OE fitment or retrofitment from MFC authorised service center
		Models excluded	None
		Components covered under Warranty	Engine and Transmission
		Duration of cover	6 months or 7500 kms, whichever is earlier
		Road side assistance	Yes
Honda Certified Pre-owned Vehicles	Honda-trained technicians enjoy a unique view when inspecting Honda Certified Pre-Owned Vehicles. Their thorough multi-point inspection is just one of the benefits of owning a vehicle that's been certified through the program. Other advantages include a 7-year/100,000-mile Certified Pre-Owned Powertrain Limited Warranty, Honda Genuine Parts and a complimentary Vehicle History Report	<ol style="list-style-type: none"> <li>7-year*/100,000 total odometer mile</li> <li>A thorough multi-point inspection.</li> <li>Special financing rate</li> <li>Any won parts are reconditioned or replaced to meet Honda standards.</li> <li>Free Vehicle History Reports are available at dealerships and online.</li> <li>Search online from a national inventory made up of local Honda dealers.</li> <li>Three-month trial period.</li> </ol>	

**4.7. Opportunity ahead for Pre-Owned car market in India**

Growing middle class consumers opting for pre-owned cars has led to an increase in the demand for pre-owned cars in India and as a result of that BMW India; country's leading premium auto-maker has revealed considerations on opening pre-owned car shops as well. Very recently, arch-rival Mercedes-Benz also announced its entry into the business, too. Mahindra First Choice Wheels Ltd, a multi-brand pre-owned car major in the Indian market, has set an objective for selling around one lakh pre-owned cars.

Earlier, the pre-owned car sector was characterised by a lack of choice and transparency, but with the gradual shift from unorganised to organised sector, the market has a huge potential. Hit hard by higher interest rates and pinching fuel prices, car sales grew at their slowest pace in two years, threatening to slip even further in the coming months. By industry body Society of Indian Automobile Manufacturers (SIAM) this will further increase the opportunity for pre-owned car market in India.

**5. Drivers**

- Favorable Demography and a Healthy Economic Outlook
- Growing Interest of Organized Players in the Market
- Growing Automotive Industry
- Online Portals and Increased Internet Penetration
- Availability of More Advanced Cars Driving Pre-owned Market

An effort has been made to understand how pre-owned car market is exponentially growing in the recent year. The review work shows that limited study is undertaken on pre-owned cars.

**6. Conclusion**

With the growing family incomes and ever-growing middle class society, India is becoming one of the most potential

markets meant for used cars. Better endorsement for latest cars with most modern technology and world class manufacturing has become most important factor for this development.

The world class renowned branded cars which were beyond the reach of the average Indians are now available at their next door. Right from the inception of pre-owned car market the maruti True Value has got a tremendous response, Volkswagen, BMW, Audi, Skoda and various such companies have set up their huge showrooms and selling centers in India. The pre-owned car market may be transformed into a more organized market with the advent of Indian and global car makers and other major corporate houses of India. Auto majors not only increase their market penetration through the pre-owned car business, but also make a profit out of this venture. Unorganized pre-owned car dealers are trying to match the service standards of organized used car dealers to become more professional in their marketing approach. The general consensus among the industry is that the pre-owned car segment may become almost double of the new car market in another five years as is the case in the developed countries.

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