India’s move to ease lockdown restrictions drives card payments, says GlobalData

Technology For You July 18, 2020

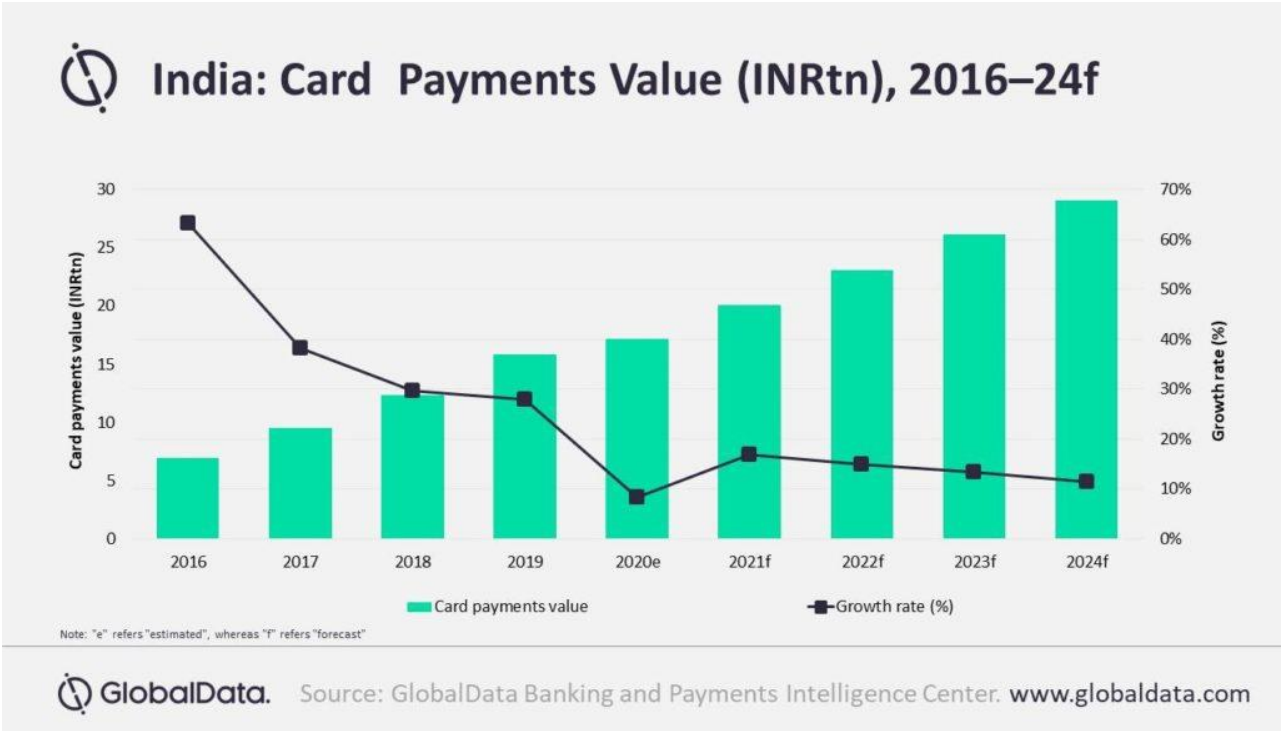
Card payments in India are gradually recovering on the backdrop of an increase in consumer spending as the country has now entered the unlock phase, says GlobalData, a leading data, and analytics company.

According to GlobalData’s revised forecasts, the value of card payments in India is estimated to grow by 8.4% in 2020. The value is expected to reach INR29.1 trillion (US$408.1bn) by 2024 increasing at a compound annual growth rate (CAGR) of 14.1% between 2020 and 2024.

The fear of COVID-19 spread through the handling of cash is driving consumers towards digital payment tools. According to the country’s central bank ‘Reserve Bank of India’, the number of cash withdrawals declined by almost 50% in April 2020, compared to the previous month.

While the government has been easing lockdown restrictions, the surge in daily active cases is a key challenge. India now has the third-highest COVID-19 cases in the world, behind only the US and Brazil.

Nikhil Reddy, Banking and Payments Analyst at GlobalData, comments: “The COVID-19 pandemic and the resultant economic lockdown badly affected several major sectors. The country is now entering into unlock phase with government allowing inter-state travel (buses, trains, and airlines) and resumption of business activities on a large scale. This will provide a much-needed push to the affected sectors like tourism, hospitality, and retail, which in turn will benefit the payments market as well.”



The gradual easing of lockdown in a phased manner facilitated the opening up of shops providing non-essential goods and services from 25 April 2020. This was followed by allowing e-commerce companies to deliver non-essential items even in red zones (where cases are high) from 18 May 2020, followed by the resumption of domestic airline services from 25 May 2020.

Mr. Reddy concludes: “India has traditionally been a cash-based economy. The current COVID-19 outbreak will act as a catalyst to accelerate the shift towards cashless payments in the country, which is already riding the digital wave since the government’s demonetization move way back in 2016.”

Source : https://www.technologyforyou.org/indias-move-to-ease-lockdown-restrictions-drives-card-payments-says-globaldata/

Virtual Trade Shows May Be the Next Best Thing For the Indian Industry During COVID

The permanence of this virtual phenomenon is still debatable, as it is still being tried and tested

Sandip Chhettri July 16, 2020

We could have only imagined that there will come a time when organizing virtual tradeshows will be viewed as an alternative to the large, crowded events usually hosted at enormous trade conventions. These developments are owed to the dwindling prospects for tradeshow organizers in hosting large public gatherings.

However, the permanence of this virtual phenomenon is still debatable, as it is still being tried and tested on the scale at which it is being recommended. As the COVID-19 pandemic's conclusion remains uncertain, organizers of tradeshows are seeking substitutes to the standard fare practices. They are now adopting other means to draw in businesses for participation, enticing them with a world of virtual possibilities. In that regard, the virtual tradeshow concept has been prevalent for a few decades now, while its relevance has magnified only due to the current times.

To those who are unfamiliar with the concept, virtual tradeshows cover all those aspects one can expect from a physical tradeshow. The kiosks and stalls are replaced by virtual ones, seminars are converted into webinars, advertising goes digital, group video calls take the place of in-person business meetings, online marketplaces enable swift decision making on purchases and participants are matched as per their business categories while being facilitated with web chat sessions to discuss business propositions.

A few industry voices are advocating for digitization to complement physical trade events, arguing that doing away with physical trade events on a permanent basis isn't a replicable and wise idea. Their assessment is that in-person meetings play a major role in building trust and relationships and that virtual shows can be a customized solution for current times, undertaken only on a temporary basis.

Nevertheless, the silver lining for many businesses during the pandemic is that the immediate fears of an international shutdown have transformed into an opportunity. 'Desperate times call for desperate measures' goes the saying and the willingness of businesses to adapt to virtual shows is indicative of the international trade trajectory in the unforeseen future. Moreover, trade events have become expensive undertakings for many companies over these years, as it requires the physical presence of a designated team, transportation of products for display kiosks, accommodation, travel arrangements, and several other miscellaneous costs which recur every time a company decides to participate in a tradeshow. The costs are multiplied further if it happens to be an international event.

Small businesses have traditionally been a major part of tradeshows, as they consider these events to be a hotbed of B2B opportunities, wherein they get to network and interact with suppliers, potential customers, and industry experts all at one place. The COVID challenge has taken multiple dimensions, altering several pre-existing mechanisms of running a business. Starting from product purchase and payment gateways to supply chain logistics and product delivery, companies are confronted with the digitization conundrum, forcing them to repurpose their processes to stay relevant.

Going virtual could help companies with their post-pandemic austerity measures, as it could significantly bring down the costs for trade events while budgeting for business expansion. They could instead invest in upgrading their workplaces with state-of-the-art digital infrastructure and plan towards giving business visitors a peek into their products virtually. For instance, tradeshow organizers too could facilitate virtual reality experiences to engage with products, live relaying of visits to industrial facilities from remote locations, live keynote addresses of illustrious industry stalwarts and creation of a plethora of high-quality digital content that can reach across borders.

Furthermore, they could also package the trade fairs based on specific requirements and set pricing according to the preferred options, giving flexibility both to the organizer as well as the business. This could enable companies to be sector-specific and focus their energies solely on areas that pique their interest.

As we accelerate digitization in our country, newer avenues such as the virtual shows will open up opportunities for which both the government and industry need to prepare for. It would require deliberation and foresight on our part to create an enabling environment that allows small and medium enterprises time and space to adjust to these new realities and grow their businesses.

Product packaging and digitized promotion require the content of the highest order and maintaining such quality could pose a challenge to budding start-ups. However, incentives such as affordable access to virtual tradeshows could provide start-ups with the much-needed impetus to form relevant partnerships and break-out into both the international and domestic trade scene. India's lockdown and travel restrictions accentuated the challenge further, as tradeshows are expected to draw a large number of regional contingents hailing from different states.

Travel being risk-ridden, businesses themselves are reticent about their plans, even if it means losing out on trade possibilities at these events. Even if they were to be organized, they require enormous planning and manpower during COVID times, notwithstanding a whole host of other machinations that we attribute to tradeshows. It is therefore imperative for the Indian industry to see virtual tradeshows as a tremendous opportunity for home-based start-ups and small businesses, as they prepare to reinvigorate their plans post-pandemic.

Source : https://www.entrepreneur.com/article/353386

India’s Edtech Boom: A Tale Of Digitisation, Engagement And The Covid-19 Effect

Inc42 July 15, 2020

The edtech sector has risen to new heights due to the rapid adoption and penetration brought on by the lockdown and the impact of the pandemic

While the growth has been huge, the industry suffers from challenges such as scaling up sustainably, overcoming infrastructure hurdles and retaining growth

Edtech startups such as Cuemath, Testbook, Toppr and Simplilearn have turned to marketing automation platform WebEngage to solve the retention challenges.

While the countrywide lockdown — due to the pandemic — wreaked havoc across sectors and industries in the Indian market, the shutting down of schools and colleges saw the emergence of many edtech products and services and a rise in adoption.

Based on a study of 35 top online learning platforms, a SimilarWeb survey revealed that between April 2019 to March 2020, edtech segment saw an increase in user visits by 26% compared to the same period between 2018-19.

The survey further went to state that while before the pandemic, school-level online learning platforms such as Vedantu, LearnCBSE, BYJU’S, Toppr, Tiwari Academy, Meritnation and Gradeup collectively captured 51.25% of the traffic share. This share shifted towards massive open online courses (MOOC) — such as Udemy, Coursera and Toppr — in the first 28 days post the lockdown.

Top Edtech Companies Before And After Lockdown

Pre Lockdown

Domain	Traffic Share
Vedantu	9.75%
Udemy.com	9.29%
learncbse.in	9.20%
Byjus.com	8.67%
Gradeup.co	8.25%
Unacademy.com	6.79%
Embibe.com	6.29%
Toppr.com	5.98%
Tivariacademy.com	4.98%
Meritnation.com	4.42%
Study.com	4.16%
Khanacademy.org	2.97%
Coursera.org	2.93%
Chegg.com	1.98%
Onlinetyari.com	1.71%

Post Lockdown

Domain	Traffic Share
Udemy.com	17.81%
Byjus.com	11.37%
Coursera.org	10.10%
Toppr.com	8.81%
Unacademy.com	7.58%
learncbse.in	6.13%
Vedantu	5.90%
Doubtnut.com	3.26%
Gradeup.co	3.05%
Aakash.ac.in	2.96%
Khanacademy.org	2.83%
Chegg.com	2.41%
Study.com	2.40%
Meritnation.com	2.35%
Embibe.com	1.65%

Source: SimilarWeb Report

Inc42+

Not only this but Toppr also claimed to have a 100% growth in paid users month on month and 50% growth in traffic during Covid-19.

“Since the lockdown, we have seen a four-fold increase in paid subscriptions. We also saw a growth in our web-traffic rising to more than 25 Mn sessions last month (May 2020), with an average of 800K sessions per day,” elaborated Zishaan Hayath, founder and CEO, Toppr.

But these are not the only platforms that have seen unprecedented growth in their adoption and traction.

While Krishna Kumar, founder and CEO of Simplilearn added, “During this time and post lockdown, we have seen a massive jump with a record 30% increase in the number of enrolments on the platform. With the lockdown giving professionals a little extra time on hand, many have taken to investing this time on upskilling programmes in order to gain that competitive edge versus peers.”

Thus, the expectation that India’s online learning market will be worth $1.96 Bn by 2021, as stated by the edtech report by DataLabs by Inc42+, might just be realised sooner than anticipated.

The Story And Struggle Behind The Edtech Growth

Coupled with the lockdown, helping the edtech sector is the penetration of the internet in India. A TRAI report revealed that in 2019 alone, the total number of internet subscribers increased from over 665 Mn in June end to over 687 Mn by the end of September, registering a quarterly growth rate of 3.35%. The numbers indicate the high level of internet reach and penetration, which has made it easier for edtech players to tap the potential across the country.

Another factor playing a major role in the growth of the sector is the ever-growing demand for skill development from tech and tech-allied industries. And while the pandemic has eased one of the biggest hurdles for the startups — acquisition of new users and thus, their investment in marketing — it has also given rise to new ones — the increase in layoffs and the lack of jobs and the resultant decrease in disposable incomes.

“There are limitations in terms of infrastructure which serve as the primary inhibitors. Availability of decent internet, access to laptops or tech with optimal screen size, means to purchase devices for the family are just a few of these issues,” explained Khurma.

However, that’s not the only challenge for the industry. While it witnesses an unprecedented growth in the number of users and the adoption, the sector is struggling with managing and retaining this adoption and growth. And that is where marketing automation platforms such as WebEngage are playing a key role.

Crediting its engagement with edtech startups, for more than 1.5 years, WebEngage realised the marketing and engagement challenges faced by them early on, and that is what led to the launch of an edtech-specific set of solutions.

With these solutions, WebEngage is helping over 15 edtech startups effectively engage with all the three core members involved in the platforms, namely, the

students, the parents and the teachers. Along the same lines, it has also released a set of guides and playbooks to help them navigate the process of better engagement.

“Consumers being children and customers being parents, esp with shared devices, makes the brand positioning and media planning a little more complicated. Adding to that, making children study has always been challenging, and engaging with them to spend their screen-time on studies is even more challenging,” said Labdhi Chopda, head of market operations, Cuemath, on the marketing-led challenges for edtech startups.

While Kumar had another issue to point out. The Simplilearn founder told Inc42 that even though businesses are aware of drivers of high engagement, these drivers are difficult to operationalise.

But that is not all, considering the kind of adoption and subscribers the platform has, it is also vitally important for these startups to constantly maintain engagement with their user, which is both parents and the students.

“The major challenges faced by the edtech industry are monetising the new segment of users, delivering an exceptional level of customer experience and satisfaction, ensuring that systems don’t break down and getting new tutors and online educators, to name a few,” explained the founder of WebEngage, Avlesh Singh, who has a been working with various edtech startups from across segments.

Singh further told Inc42 that edtech startups often have to sit back and work hard on engagement and retaining their existing users — considering the number of players involved — so as to get success in the long term. And this is where long term relations with existing clients become really important.

“Engagement is really important, and more important is the targeted engagement of the right profile. For instance, you can’t spam students to pay the fee, you need to know how to reach the parents effectively for that. One way to do that could be showcasing how well the child is doing on the platform and the areas he could do better, to show them why they need to continue with the platform,” explained Singh.

The startup claims its Journey Designer feature to be the most used and preferred form of engagement for edtech players as it helps them target the end-user more effectively. Backing that claim is Kumar, who explained, “The Journey Designer feature armed the Simplilearn team with the ability to craft really complex lifecycle marketing campaigns with ease. Its campaigns resulted in the improvement of attendance rates and reactivating dormant users on the platform.”

To help its clients with better engagement and penetration strategies, WebEngage has divided its solutions into three broad categories, namely, pre & K-12 learning, online certification, and test preparation. With this specific approach, the startup claims to have helped the edtech industry engage over 15 Mn learners daily, increase course completion by 27%, reactivate dormant learners by 23% and witness and uplift in paid subscriptions by 133%.

“Providing value to both the casual and serious learner is critical, as is having a sophisticated CRM capability to keep them engaged. That’s where a tool like WebEngage became valuable, helping us create learner segments and reach them across multiple channels. This resulted in a rapidly growing user base that efficiently moves from casual to paid users,” added Kumar.

Future Of Indian Edtech Landscape

According to DataLabs by Inc42+, since 2014, 186 different edtech startups have raised a total of $1.73 Bn in funding, with the likes of BYJU’s, Vedantu and Toppr dominating the landscape. This landscape has only seen further growth and rise in 2020.

The report not only revealed that the country’s online education system comprised a mere 0.56% of the overall education sector but also stated that “A large chunk of the total online education space will be captured by K-12 startups, which are growing at a CAGR of 60% currently.”

This growth is also the result of the startups innovating and launching new products and services. For instance, Cuemath said that it is currently working on replicating the best aspects of offline learning in the online context through group study sessions, peer-to-peer learning, healthy competition, challenges, leaderboards and more.

With such inclusion of newer innovations and tech in their offerings, it is no surprise that these startups are not worried about the world post coronavirus at all. The startups believe that with the lockdown making online education the go-to solution for learning continuity, the post-Covid-19 world will witness these platforms becoming a supporting feature in the curriculum in schools and colleges.

“Online learning is here to stay and at the very least seriously disrupt how education is handled in the world. Parents at first were reluctant to take up online learning but if kids are going to end up using screens it’s better to substitute useless screen time with something more useful and productive. After a couple of months, more parents are going to realise that this model is fairly viable, more convenient, and more effective.” explained Cuemath’s Khurma.

Additionally, another school of thought that prevails in the startups is that with the lockdown showcasing the parents and the kids with the benefits of online learning, the need for a traditional school is going to change.

Adding to the same, Hayat said, “As students and parents continue to engage and explore various features of online learning, they’ll realise that online learning is a lot more powerful than an offline coaching class. This shift in user behaviour toward online education is here to stay.”

Source : https://inc42.com/features/indias-edtech-boom-a-tale-of-digitisation-engagement-and-covid-19/

How the pandemic is changing the future of automotive

Deloitte July 13, 2020

It's the question every backyard mechanic asks themselves just before they turn the key after rebuilding the engine on their favorite old car—will it start? In most cases, getting the engine to turn over is just the beginning. Dialing in a rough idle while making sure it doesn't stall is equally important to getting the car back on the road. It's an apt analogy for the moment in time currently facing the global automotive industry.

Companies up and down the value chain are feeling the pressure of supply and demand disruption, and public concern for health and financial well-being has slowed global economies. Even as some jurisdictions are laying the groundwork to fully reopen, gaping questions remain around the steps automotive companies should take in order to prepare themselves for the realities of a heavily disrupted sector. For example, much more can be done in terms of tapping into technology to create frictionless customer engagement and maximize transparency. Cost-cutting and operational fitness programs that began well before the pandemic remain key, but manufacturers also should protect the critical investments that can yield significant benefits down the road (powertrain electrification, smart factory, etc.). Even tactical priorities, such as worker safety, are paramount to enable a return to vehicle manufacturing.

Automotive manufacturers are taking a hard look at the resiliency of a globally integrated supply chain brought to its knees by parts production disruptions in China even before the coronavirus spread around the world. Now they have to entice consumers back into the new vehicle market despite strong evidence to suggest that vehicle demand was already headed for a downturn. The magnitude of this challenge is clear as industry forecasters are now expecting global new vehicle sales to total just more than 70 million units in 2020, a downgrade of 18.5 million light vehicles from January's estimates. To put that in context, the drop in global demand this year alone is roughly equivalent to light vehicle sales expectations in the United Kingdom, Japan, and the United States combined.

Financial pressures set the stage for lasting sector impact

In the face of a possible lengthy recession, many consumers around the world are worried about their financial well-being. According to the Deloitte State of the Consumer Tracker data, 37% of US consumers are delaying large purchases and 21% are concerned about making upcoming payments. As many as 30% of those still

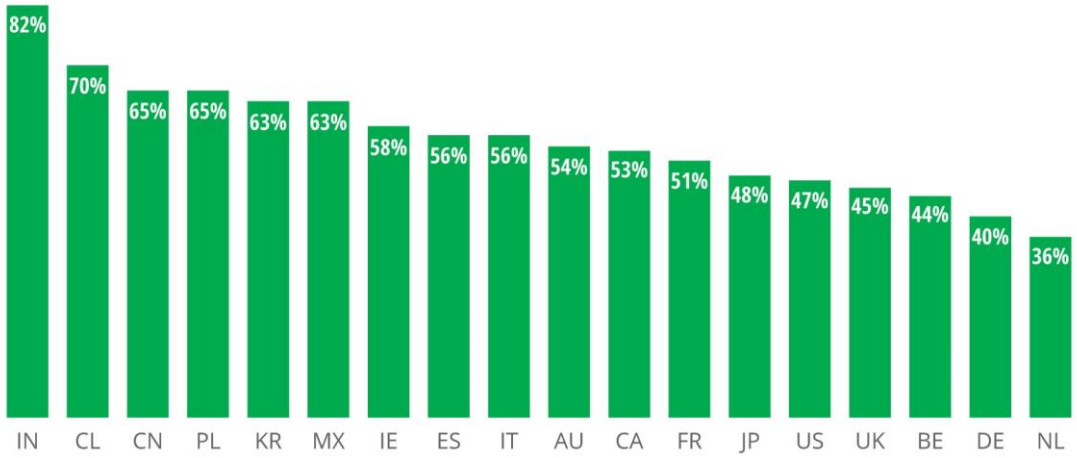
employed in the United States are fearful they will lose their jobs. While this number is high, it is still below the study's global average of 41%. It has, however, remained worryingly consistent since mid-April, suggesting that consumer concerns regarding near- and long-term financial well-being have not improved despite recent attempts to reopen the market.

What does this mean for automotive sales? Is the pandemic creating pent-up demand that will propel the automotive industry to a robust recovery? May auto sales figures were encouraging in a few global markets, but our study results reveal that nearly half of US consumers (47%) are planning to keep their current vehicle longer than they originally expected. This level of apprehension is echoed in other large automotive markets around the world, including China (65%), South Korea (63%), and Japan (48%). It also represents an obvious challenge for manufacturers looking to kick-start new vehicle sales and casts a shadow over expectations for the shape of the demand curve moving forward.

FIGURE 1

Global consumers intending to push out their next vehicle purchase

Percentage of consumers planning to keep their current vehicle longer than expected



Note: Percentage of respondents who "Agree" or "Strongly agree" have been added together.

Source: Deloitte State of the Consumer Tracker, June 13, 2020 data.

Deloitte Insights | deloitte.com/insights

Consumers in several countries are also rethinking more near-term expenditures focused on regular vehicle maintenance. Nearly 80% of consumers in India are actively redeploying funds originally slated for vehicle maintenance. So are consumers in Chile (45%), China (43%), and Mexico (41%). However, in the Netherlands and Japan, which exhibit the lowest levels of overall financial anxiety, relatively few people are planning to put off required vehicle maintenance.

A full demand recovery may take years. An immediate, V-shaped recovery is looking increasingly far-fetched, as various government assistance initiatives start to dissipate in the coming months, leaving consumers to face the full reality of a diminished financial capacity. Coupled with the sheer caution being applied by companies in their reopening efforts, and the specter of a second wave of COVID-19 hitting later this year, sustained financial strain could result in a consumer retrenchment, truncating economic growth for the foreseeable future.

FIGURE 2

Perception of job security is a key driver for vehicle purchase intent

Percentage of consumers concerned about job loss vs. intent to keep current vehicle longer than expected

Source: Deloitte State of the Consumer Tracker, June 13, 2020 data.

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How would people want to reengage with the automotive industry?

Assuming demand will eventually return, manufacturers are still faced with the task of meeting an evolving set of expectations when it comes to the way in which consumers will engage with the sector. Living through various levels of lockdown and stay-at-home orders, many consumers have ramped up their use of digital tools to consume an increasingly diverse set of goods and services, from groceries and apparel to entertainment and even medical consultations. A natural expectation might be that this

behavior is not only becoming more commonplace for consumers but may also extend to large purchases, such as vehicles. In fact, as economies across the globe began to shut down for an extended period, in a bid to stay relevant, many vehicle retailers installed third-party solutions to facilitate a fully digital vehicle sales process.

This ride, however, may not be without a few bumps. Our study results suggest that most consumers are not looking to buy their next vehicle online—other than India (71%) and China (45%), interest in a fully online purchase process is limited to one in four consumers or fewer in other markets around the world. The reason for this may be a long-standing acknowledgment that certain aspects of the vehicle sales process, such as the test drive, remain very difficult to digitize. Therefore, it will be very important for original equipment manufacturers (OEMs) and retailers to continue deploying digital tools that address key consumer pain points, such as the overall length of time taken to complete a purchase, and the excessive amount of paperwork involved.

Are consumers changing the way they view mobility?

The COVID-19 pandemic is also influencing the way many people think about mobility. The need to maintain physical distancing is leading many to a conclusion that the idea of vehicle ownership is valuable to them—79% of consumers in France, 74% in the United States, 69% in the United Kingdom, and 63% in South Korea. Owners can also feel more confident in the level of hygiene in their own vehicles as compared to shared transportation options. In fact, 56% of people surveyed in the United States indicated they are planning to limit their use of public transit over the next three months. Similar sentiment prevails in Italy (63%), Spain (60%), Australia (53%), and Japan (48%), among others. Consumers in many countries are questioning their use of ride-hailing services too. All this is having a significant effect on shared mobility business models and presents a critical challenge for both incumbent players and startups operating in that space going forward.

However, translating this consumer sentiment into actual vehicle sales may prove challenging as growing affordability concerns may remove people from the market. It may also result in a situation where people who were intending to purchase a new vehicle need to refocus on the preowned market. The average transaction price for a new car in the United States reached US$37,308 in 2019, representing a gap of nearly US$15,000 when compared to the price of an average three-year old vehicle (US$22,459). Given this significant difference, used vehicles may be assuming the role of the entry-level car, giving cash-strapped consumers an interesting option to consider. Moreover, consumers intent on acquiring a new vehicle may either downgrade to a more affordable vehicle segment and/or reduce the number of

features included on the vehicle. In any case, financial institutions including the captive lenders will likely play a pivotal role in determining whether consumers will be able to maintain access to credit and stay in the market.

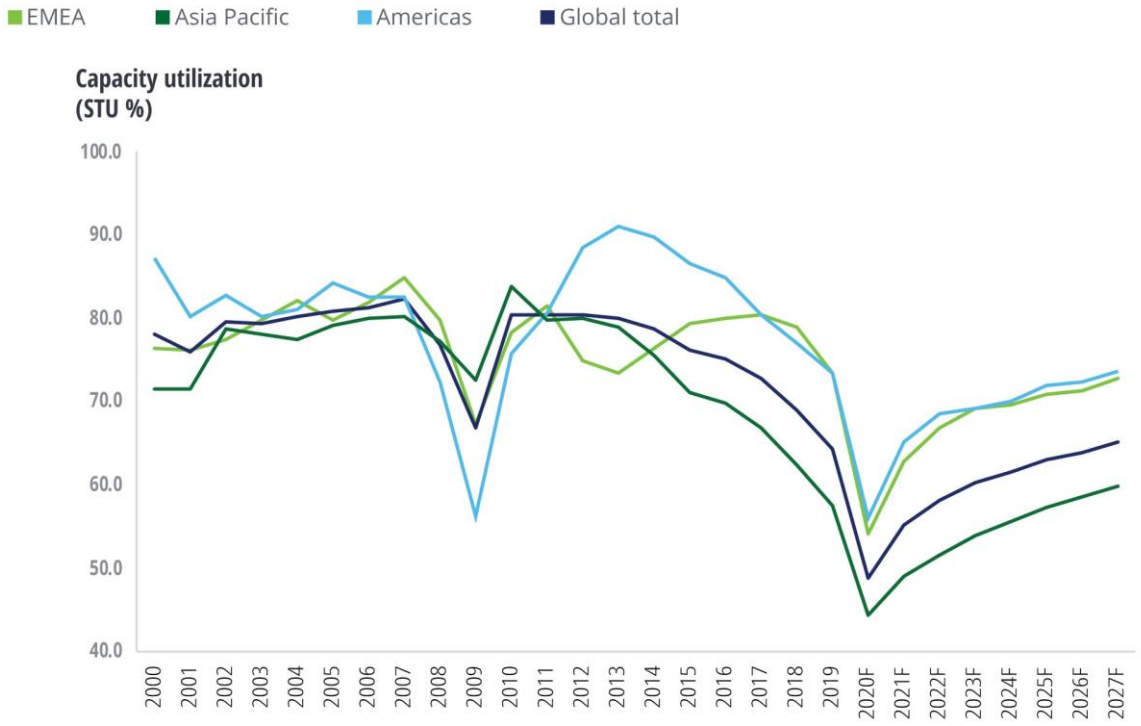
Better prepared than last time, but still vulnerable

Some automotive companies entered the current crisis in a much better financial position as compared to the recession a decade ago, but debilitating liquidity issues loom ever larger given the current economic uncertainty. Some fast-acting companies were successful in drawing down credit lines and making hard decisions regarding operational cost structures to shore up their balance sheets. However, light vehicle manufacturing capacity utilization in the Americas alone is expected to remain below 75% through 2027, placing additional, longer-term profitability pressure on OEMs. It may also lead to an increasing number of distressed assets across the industry, resulting in a significant number of mergers and acquisitions as financial and strategic buyers look for opportunities to consolidate vulnerable parts of the value chain.

FIGURE 3

OEMs under pressure from anemic capacity utilization forecast

Global light vehicle manufacturing capacity straight-time utilization (by region, 2000–2027F)



Note: Straight-time capacity utilization (STU) is calculated based on individual plant crew structure (i.e., number of shifts), excluding overtime.

Source: IHS Markit, June 2020.

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The stress on the ecosystem may also mean an upturn in corporate bankruptcies, as companies heading into the pandemic in a relatively weaker financial state may not have the cash reserves or the ability to refinance that they need to weather this storm. The knock-on effect could be devastating, as a relatively small disruption in the supplier base could have a disproportionately damaging downstream effect on a surprisingly brittle global value chain. It is also highly unlikely that many global governments will have the ability to step in and offer targeted bailouts considering the massive amount of stimulus pouring into the global economy to prop up a wide array of sectors under massive financial strain.

Five things manufacturers should consider to dial-in their recovery effort

- Increase collaboration with dealer networks to accelerate the adoption of digital tools designed to create frictionless engagement and meet customers where they want to do business. Even though the jury may still be out as to whether consumers will migrate en masse to buying cars fully online, there are still many areas where integrated digital tools can have a transformational impact on the vehicle purchase process and overall brand engagement. At the same time, manufacturers can accelerate the deployment of digital tools back through the supply chain to maximize transparency and to detect potentially crippling issues early on. Establishing digital supply networks and deploying artificial intelligence can enable smarter planning decisions and improve overall agility through a deeper and broader understanding of the system as a whole.
- Maintain the manufacturing discipline gained through the last upcycle, focusing on producing vehicles that consumers actually want to buy. In fact, companies that are trying to restart assembly operations under a prepandemic strategy may need to be much more agile in order to respond to shifts in the vehicle mix caused by a growing consumer affordability issue.
- Deploy technology transformation tools to identify and prioritize further cost-cutting opportunities while protecting critical investments that can yield significant forward benefits (powertrain electrification, smart factory, etc.). Cost cutting in a downturn is certainly not revolutionary, but knowing which investments in innovation to protect given longer-term macro trends can be a critical success factor for automotive companies moving forward. For example, driving forward with smart factory implementation strategies could yield significant competitive advantages related to throughput, quality, safety, and revenue growth.
- Isolate areas of the business that represent a cash drain and make the hard decisions required to rehabilitate, sunset, or divest underperforming assets. Continuing to prop up unprofitable assets will be increasingly difficult moving forward, particularly manufacturing operations that struggle to meet a minimum capacity-utilization threshold.
- Ramp up the exploration of strategic partnerships to maintain a focus on innovation while sharing investments and minimizing risk. Traditional notions of competitive

exclusivity between OEMs may be giving way to the realities of emerging market conditions. Finding ways to collaborate on innovation may become a strategic imperative for automotive companies.

The pandemic started just as the global automotive industry was headed into a cyclical slowdown with a potential for a more permanent, structural downshifting in demand. It is also playing out against a backdrop of global automakers already under intense pressure to maintain massive research and development spending with no guarantee of a return on investment, and a critical need to develop new business models. The full impact of the pandemic will likely remain unclear for at least several more months. What is becoming very clear, however, is the need for industry stakeholders—including manufacturers, suppliers, retailers, financial institutions, and governments—to come together in a focused dialogue to understand exactly what actions are needed in order to tackle these incredibly complex issues and get the global automotive engine running smoothly again.

Source : https://www2.deloitte.com/us/en/insights/industry/retail-distribution/consumer-behavior-trends-state-of-the-consumer-tracker/future-of-automotive-industry-pandemic.html