**COVID-19**

Impact on Global Automotive Dealerships

- **40-70%** New customer foot traffic drops in dealerships around the world during the 2-3 months pandemic peak period
- **50%** of dealerships are able to survive without financial support for up to 6 months under restrictive conditions
- **Indefinite closure** of dealerships and operations in countries and regions with severe lockdowns
- **Increased** frustrations by dealerships due to strict government regulations on mobile servicing
- **80%** of dealerships expect a future change in doing business away from the traditional approach
- **Negative** workforce impact despite wage protection and government initiatives in some countries to ensure employment continuation
- **30%** of dealerships regret they have no online platforms to support sales, service, leasing and financing
- **80%** of dealers adapted with creative delivery ideas, increased picked-up and drop-off services, staggered customer service timing and strict social distancing
- **65%** of dealers expect an acceleration in development of online vehicle sales and booking platforms
- **More than 50%** of OEMs and dealerships expect an increase in new car sales for private use
- **38%** of European OEMs and dealerships expect an extended deadline for regulations on emissions and environmental targets
- **Europe & China** lead the way in vehicle purchase initiatives (e.g., incentives and tax breaks)
- **45%** of dealerships in China and Asia expect an increase in popularity of EV vehicles

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**Case Study**

**Premium Brand – China**

Impact of COVID-19 on retail visits, labor hours and parts revenue (Y2019 – Y2020)

<table>
<thead>
<tr>
<th>Pre-Lockdown</th>
<th>Sharp decline in all three areas of the business</th>
<th>All three areas to standstill within 7 days</th>
<th>Gradual increase as COVID-19 cases start to come down</th>
<th>Immediate increase after lockdown is lifted</th>
<th>Retail visits, labor hours and parts revenue all higher than the same months in Y2019</th>
</tr>
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</table>

Sources: Interviews carried out by IHS Markit Dealership Network Development team to industry and dealer contacts.


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