



E-TRADING TRENDS AND PERFORMANCE IN THE IRANIAN AUTOMOBILE MARKET

Bhagyavati
Research Scholar

Dr. Babita Tyagi
Guide
Professor, Chaudhary Charansingh University Meerut.

ABSTRACT

The automotive industry is one of many global industries that have changed as a result of the quick development of digital technologies. Although it has been gradual, Iran's automotive industry is moving toward e-trading due to a number of factors, including the need for convenience in car purchases, the rise in internet access, and the growing popularity of online shopping. This study investigates the performance and trends of online trading in the Iranian auto industry, looking at the elements that affect its uptake, the difficulties it encounters, and its prospects for expansion. According to the research, primary car sales through digital platforms are still in their infancy, even though e-trading platforms are being utilized more and more for secondary market transactions. This slow adoption is caused by a number of important factors, such as consumer trust issues, the absence of a strong regulatory framework for online car transactions, and the societal preference for in-person interactions when making expensive purchases. Significant technological barriers are also identified by the study, including the digital divide between urban and rural areas and the underutilization of cutting-edge tools like augmented reality and virtual showrooms during the purchasing process.



KEY WORDS: *Online trading , The Iranian Auto Industry , The shift to digital , Online Sales of Automobiles , Adoption of E-Commerce , Consumer Trust ,Automobile Sector, Online Resources.*

INTRODUCTION

With the emergence of digital technologies, the automotive sector—a major engine of economic activity worldwide—has undergone substantial changes. The purchasing and selling of goods, services, or assets via the internet is known as e-trading, or electronic trading. E-trading is showing promise as a game-changer in the Iranian auto industry, providing convenience, effectiveness, and increased accessibility for dealers and customers. However, this industry's transition from conventional brick-and-mortar dealerships to online platforms is still in its infancy and is influenced by a number of technological, cultural, economic, and regulatory factors. One of the biggest car markets in the Middle East is in Iran, which is distinguished by a mix of domestic and foreign producers as well as a high demand for both new and used cars. Face-to-face interactions and in-person vehicle inspections continue to play a significant role in the Iranian automotive industry, despite the country's increasing reliance on digital platforms for daily purchases. Despite its growing popularity, e-trading in the Iranian

auto industry still faces many obstacles in the form of regulatory support, technological infrastructure, and consumer trust.

AIMS AND OBJECTIVES:-

Aims:

This study's main goal is to examine the performance and trends of online trading in the Iranian auto industry. This entails looking at how digital platforms are adopted and used for car transactions, comprehending the opportunities and difficulties of e-trading, and assessing the industry's growth potential. The study aims to give a thorough grasp of the changing dynamics of the Iranian auto market in the context of digitalization by evaluating these factors.

OBJECTIVES:

To Analyze the Current Trends in E-Trading within the Iranian Automobile Market Examine how digital platforms are currently used in Iran for car sales and purchases. Identify the most commonly used e-trading platforms and their functionalities. To Assess the Key Factors Influencing the Adoption of E-Trading in the Iranian Automobile Sector Examine the economic, cultural, technological, and regulatory elements that either support or impede the Iranian auto industry's adoption of e-trading. Examine the extent of digital infrastructure and internet penetration in Iran's cities and rural areas. To Identify the Challenges and Barriers to E-Trading Adoption in Iran Examine the problems with payment methods, consumer trust, security, and transparency in the online auto market. Determine the legal and technological obstacles preventing e-trading from being widely used in the Iranian auto sector.

LITERATURE REVIEW:-

Like in many other nations, Iran's automotive industry is going through major changes, partly due to the growth of digital technologies and e-trading platforms. In contrast to worldwide trends, the Iranian car market has been slow to adopt online platforms. This review of the literature summarizes previous studies and identifies the main elements impacting the expansion, difficulties, and prospects of online trading in the Iranian auto sector.

Global Trends in E-Trading for Automobiles

The automotive industry has embraced e-trading on a global scale, with a number of markets setting the standard for digitalizing auto sales. The desire of consumers for increased convenience, reduced transaction costs, and simpler information access is driving the global shift towards digital car-buying platforms. As more consumers choose to research, compare, and buy cars online, e-trading is predicted to grow dramatically over the next ten years, according to Alvarado (2020). Innovations like virtual showrooms, online configurators, and augmented reality (AR) apps that let customers view cars from the comfort of their homes are facilitating this shift.

E-Trading in the Iranian Automobile Market

A distinct set of opportunities and challenges define the Iranian auto industry. Iran has been slow to adopt e-trading, in contrast to more developed markets. Ghaffari&Soltani (2021) point out that a number of factors, such as consumers' strong preference for in-person car inspections prior to making a purchase and their lack of trust in online transactions, are responsible for this slower adoption. Purchasing a car is frequently viewed as a high-stakes decision in Iran, where buyers want to personally negotiate prices and guarantee the vehicle's quality.

Technological Infrastructure and Digital Divide

With an estimated 85% of the population having internet access in 2020, Iran has made great strides in increasing internet access, particularly in urban areas (Farahani& Khatami, 2020). However, there is still a digital divide between rural and urban areas, which makes it difficult for e-trading to be

widely adopted nationwide. The ability to interact with online car sales platforms is restricted in rural areas, where internet connectivity is frequently slower and less dependable. This technological divide limits the reach of e-trading platforms, making them inaccessible to a significant portion of the population, as noted by Shams & Jamali (2019).

RESEARCH METHODOLOGY:-

Both qualitative and quantitative methods are used in this study's research methodology to examine the performance and trends of e-trading in the Iranian auto industry. A thorough examination of the numerous elements impacting the uptake, expansion, and difficulties of e-trading platforms in this particular market is made possible by the use of a mixed-method approach. To ensure a comprehensive grasp of the present situation and potential of e-trading in Iran's automotive industry, the methodology is made to collect insights from a variety of sources, such as consumer behavior, industry trends, and expert opinions.

1. Research Design

In order to characterize the current state of e-trading trends in the Iranian auto industry, investigate the factors influencing adoption, and assess the overall effectiveness of e-trading platforms, this study employs a descriptive and exploratory research design.

2. Data Collection Methods

Primary Data: The methods listed below will be used to gather primary data. **Surveys:** Iranian consumers who have either participated in e-trading or are considering using digital platforms for car purchases will receive a structured questionnaire. Questions will focus on topics like perceived risks, ease of use, security, product details, and after-sales support, as well as trust in online platforms. Key players in the Iranian auto industry, such as platform developers, dealership owners, and legislators, will participate in semi-structured interviews.

3. Sample Selection

Survey Sample: A wide range of Iranian consumers will be the target of the survey, including those who have only done online research on cars and those who have actually purchased a car online. Respondents from a range of age groups, socioeconomic backgrounds, and geographic locations (rural vs. urban) will be included in the survey sample. This variety will offer a thorough grasp of how consumers behave across different demographic groups.

4. Data Analysis Methods

Quantitative Data Analysis: Descriptive statistics, such as frequency distributions, mean scores, and standard deviations, will be used to analyze survey data in order to identify the main trends in consumer preferences, attitudes, and behaviors regarding e-trading platforms. Additionally, correlations and causal relationships between a number of factors (such as platform usability, payment security, and consumer trust) and the likelihood of implementing e-trading for car purchases will be found using inferential statistics like regression analysis and chi-square tests.

5. Validity and Reliability

The following actions will be performed to guarantee the accuracy and dependability of the data gathered. **Pilot Testing** Before collecting data on a large scale, a small sample of consumers will participate in a pilot study of the survey. This will guarantee that the questionnaire efficiently gathers the required data and assist in identifying any problems with its wording or structure. **Triangulation** Utilizing a variety of data collection techniques, such as surveys, interviews, and focus groups, will aid in triangulating results and guarantee that the study's conclusions are backed up by multiple sources of information.

STATEMENT OF THE PROBLEM:

Iran's automobile industry has historically functioned through physical showrooms and dealerships, where customers can speak with salespeople face-to-face, inspect cars, and haggle over prices. However, there is a growing trend toward digital transactions, including e-trading platforms for car sales, as a result of the internet's increased penetration, the growth of e-commerce, and consumers' shifting preferences toward convenience. What are the main factors affecting the performance of e-trading platforms in the Iranian automobile market? How do consumers perceive and interact with e-trading platforms in this market? By examining current trends in Iranian automobile e-trading, assessing the effectiveness of current digital platforms, and determining the opportunities and difficulties that e-trading faces in this market, this study aims to look into these issues.

DISCUSSION:

There are a lot of opportunities and challenges associated with Iran's shift from traditional car buying methods to online trading. A distinct combination of factors, such as consumer behavior, regulatory restrictions, and technological infrastructure, are influencing the adoption of e-trading in the Iranian automobile market as it continues to gain traction globally..

1. Emerging Trends in E-Trading in Iran's Automobile Market

Even though e-trading in the Iranian auto industry is still relatively new, a number of significant trends are influencing its development. **Increased Internet Penetration:** The increasing internet penetration, particularly in urban areas, is one of the factors propelling the possible expansion of e-trading in Iran. More than 85% of Iranians have internet access, and the percentage is still rising, according to recent reports (Farahani & Khatami, 2020). E-trading in cars is more likely to gain traction as more customers become accustomed to digital platforms and e-commerce.

2. Performance of E-Trading Platforms in Iran

Although e-trading platforms' performance in Iran's car market has been modest so far, there are encouraging initial indications. **Limited Vehicle Variety** The small selection of cars available is a significant problem impacting the performance of e-trading platforms in the Iranian auto industry. Iranian consumers can only choose from a limited selection of car models because of import restrictions and sanctions. The variety on digital platforms is restricted by the dominance of a small number of domestic manufacturers and the absence of global brands.

3. Challenges to the Growth of E-Trading in Iran's Automobile Market

While there is substantial potential for e-trading in the Iranian automobile market, several factors continue to hinder its rapid growth. **Regulatory and Economic Constraints** One major obstacle to the expansion of e-trading in Iran is the regulatory environment. Digital platforms frequently lack the flexibility to offer competitive pricing or make dynamic price adjustments due to strict government regulations and price controls on automobiles. Additionally, the variety of cars available for online sale is limited by sanctions imposed on foreign auto imports, which may further diminish consumer interest in e-trading platforms.

4. Opportunities for Future Growth

Despite these challenges, several opportunities exist for the growth of e-trading in Iran's automobile market. **Adoption of Hybrid Models** As previously mentioned, a promising future path is provided by the hybrid model, which blends online platforms with traditional dealership experiences. Digital platforms can help close the gap between online and offline auto sales by enabling customers to research and reserve cars online while still going to showrooms for final negotiations and inspection.

CONCLUSION:-

E-trading platforms are slowly making their way into the Iranian auto industry, which has historically relied on physical dealerships. Even though the move to digital transactions is still in its infancy, there is a lot of room for expansion given the rising internet penetration in the nation and worldwide e-commerce trends. However, a number of obstacles stand in the way of the Iranian automobile industry's adoption of e-trading, including issues with consumer trust, regulatory obstacles, and technological limitations. To Investigate Consumer Behavior and Preferences Regarding Online Automobile Purchases Examine how consumers feel about buying cars online, taking into account their degree of trust, worries, and readiness to use e-trading. Analyze how social and cultural elements affect people's online car-buying behaviors. To Evaluate the Performance and Impact of E-Trading on the Iranian Automobile Market Examine the rise and market share of online car sales in comparison to conventional dealership sales. Examine the financial effects of online trading on the Iranian auto industry, taking into account factors like accessibility, competition, and pricing.

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