

# The Impact Of Remuneration On Sales Turnover In Dubai's Automotive Aftermarket: Post Covid-19

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## ABSTRACT

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The global Automotive Industry generated revenue worth 2.5 trillion USD in 2020 and is expected to reach 2.8 trillion USD in 2022. In this, the contribution from the Automotive Aftermarket sector (AA) was 392.35 billion USD and it is predicted to cross 525 billion USD by 2028 (Research and Markets, 2021). The AA of Western countries and the Asia Pacific is studied exhaustively while little attention is paid to the Gulf region. The AA of the United Arab Emirates (UAE) is the fastest growing market with a 14.8% CAGR from 2020 to 2025, led by Dubai. By 2025, it is expected to reach 634.4 million USD (Prescient and Strategic Alliance, 2021). However, like other sectors, the AA experienced the Covid-19 rage in 2020 with a high impact on sales and employees. The decline in consumption of light vehicles during the pandemic and the shut down of business-to-customers trade counters reduced the revenue, forcing small and medium enterprises to reduce employees' costs (Laborda & Moral, 2020). The salesforce in the AA sector also experienced reductions in their monthly salaries, commission rate and other benefits (O'Donnell & Marsh, 2022). However, the market condition improved in 2021 as UAE's AA witnessed an increase in revenues. According to the Automechanika Dubai 2021 report, the AA is expected to boom post-Covid 19, especially due to an increase in customers' demand. This can be attributed to UAE's 100% residents being vaccinated, Expo 2020 in Dubai, improved foreign relations with Israel and relaxed travel regulations in Dubai (GMI Research, 2020). Following the role played by remuneration in motivating sales employees, it can be anticipated that during Covid-19 sales turnover may have declined and as market conditions improved, the sales turnover and remuneration may also have improved.

**Keywords:** Automotive aftermarket, Remuneration, Sales turnover, Covid-19