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MOTORCYCLES

RIDING IN STYLE

With the reduction in the price differential between scooters and motorcycles, there has been a perceptible shift in favour of motorcycles because of their better styling, higher fuel efficiency and higher load carrying capacity.

India's two-wheeler industry is in a happy mood. Factors contributing to this include an ever increasing size of the middle-income household, changing lifestyle, better products at lower prices and wider availability of financing. Most customers are replacing their two-wheelers in three to five years.

Motorcycle sales in November 2006 alone stood at 861,161 units. Not long ago, the entire two-wheeler industry had a combined production capacity of no more than 5 lakh units. In 2007 alone, 60 new two-wheeler models are likely to come up. Also, the eight million unit strong two-wheeler industry is ready for the electric revolution.

Current trends

The 150cc segment recorded the biggest growth—from around 14,000 bikes a month in 2001, to nearly 60,000 bikes in September 2006. The 125-250cc segment as a whole grew from around 17,000 bikes per month in 2001-02 to over 80,000 in 2005-06. The share of such bikes grew 7 per cent of the motorcycle market to over 17 per cent during this period. The



Bajaj Pulsar DTS-i

share of the 75-125cc segment correspondingly fell from 89 to 82 per cent. The premium segment is growing rapidly and it will outgrow all

other segments.

The share of motorcycles in total sales is estimated to increase from 82 per cent in 2005-06 to 88 per cent

MARKET SURVEY

in 2006-07. The share of scooter sales may decline from 13 per cent to 9 per cent. The share of mopeds is expected to decline from 5 per cent to 3 per cent.

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As a result of input cost pressure, almost all companies have hiked prices of their two-wheelers. Input prices of plastic, steel and aluminium went up by 5 to 6 per cent in 2006. The industry hopes that even with price hike, sales would grow at 20 per cent.

Because of some understanding between India and USA, Harley-Davidson brand may soon come to India. The bike is known for its 'potato-potato' sounding engine, oodles of chromes, extravagance of design, thanks to the flamboyant handlebars, foot-controls and hand-levers. It is a motorcycle that is meant to travel, with its ergonomically designed panniers and luggage carrying capacities.

However, these bikes will have to meet the tough Euro III emission norms. Also, the importer has to submit a Type Approval Certificate from an international accredited agency in the country of origin.

Of course, the price (around Rs 15 lakh) is on the high side because no import duty concession has been provided. All imported bikes will attract basic duty of 60 per cent

coupled with additional and special duties, taking the total import tariff to around 100 per cent. Harley-Davidson has a wide range of models with engine capacities ranging from 883cc to 1600 cc with extremely sophisticated engine technology.

Hero Honda Motors Ltd

The Hero Honda Glamour owns the distinction of being India's first fuel injected bike. This is a version of the 125cc Glamour which uses programmed electronic fuel injection, a PGM-FI technology from Japanese giant and partner, Honda. The Glamour FI is identical to the Glamour, but comes with a new set of decals that set it apart from its carburetted sibling. The 'RTMI' calculates the amount of fuel consumed over the distance travelled. The Hero Honda Karizma new bike has also an engine malfunction lamp, LCD fuel gauge and body-coloured grab bar and mirrors.

While retaining the internals from the Glamour, the new 124.8cc engine has been tweaked to accommodate the PGM-FI system. The new Glamour is expected to offer better economy, lower emissions, and an ability to start easily under the most trying temperature or altitude conditions. The Glamour FI is priced Rs

49,990 (for drum brake and kick start) and Rs 53,990 (for disk brake and electric start) ex-showroom Delhi.

Hero Honda wants to improve its position in 150cc segment. The original CBZ lost its glory with the launch of Bajaj's Pulsar. Hero Honda wants to grab back some market share with its Achiever and now with the CBZ X-treme. The X-treme looks pleasing. The tank, side panels, mudguards, five spoke alloys and rear bodywork are racy and attractively



Hero Honda Karizma

sculpted. But, the front is unimaginative.

Hero Honda's new CD-Delux aims at appeasing the masses. Of course, its style is conventional and hence not impressive. But, it has other good features. The motorcycle comes with a broad and distinctive fuel tank with very functional knee recesses. The CD-Deluxe offers a fuel gauge and also a clearly readable speedometer dial. Its assets are roller bearings for its rocker arms, as well as modifications to the magneto and ignition system. The Piston skirt area has been optimised, while gear ratios are freshly revised.

Two-Wheelers: Bright Future

Year	Production (projections)	Capacities (forecast)	Exports (projected)
2006-07	8,629,890	10,787,261	593,256
2007-08	9,931,260	12,414,075	643,964
2008-09	11,459,643	14,324,554	779,014
2009-10	13,255,455	16,569,319	943,502
2010-11	15,366,462	19,208,078	1,143,963
2011-12	17,849,003	22,311,254	1,388,398

While Hero Honda dominates the 75-125cc segment with a 59 per cent market share, its share in the 125-250cc market is a mere 8 per cent. As a result, in overall terms, the company's market share fell from 53 per cent in 2004-05 to 44 per cent in 2005-06. The CBZ Xtreme is expected to rectify this. Hero Honda entered the gearless scooter segment in 2005 with the 102cc 'Pleasure,' an all-women offering.

Bajaj Auto Ltd

Bajaj's 150cc Pulsar, which was launched in 2001, is clearly the leader in the segment, selling more than 35,000 units a month. The latest Pulsar has an engine kill switch and the fuel tank has shrunk somewhere down the line. It has smart aircraft-style fuel filler.

The company launched in 2006 two gender-exclusive gearless scooters—'Kristal' for the urban women and 'Blade' for urban male.

In February 2007, Bajaj Auto launched the new 200cc 'Pulsar' DTS-i. It has new features like engine oil cooler and digital console. It is the first bike in India that features both front and rear tubeless tyres.

Bajaj Auto is keen on regaining its lost scooter market share. The company has rolled out the all-new Kristal, the first model of a new range of scooters soon to arrive from the company.

Kristal has a modern front apron that leads into the scooter's angular



TVS Apache

and haskish headlight nacelle. The speedometer cluster reads well and has a 'smart light' sensor that automatically illuminates dials when light conditions drop. The scooter front contains a cubbyhole for knick-knacks.

A voluminous storage bin is hidden below the scooter seat which illuminates refrigerator-style when opened. The floor board is flat, comfy and wide with an integrated mat texture.

The four-stroke cycle 94.8cc Kristal slots in shrewdly between the 87.8cc Scooty Rep plus and 102cc Pleasure, Activa and DLO family line up.

The Bajaj Pulsar twins and the 125cc Bajaj Discover burst on to the scene with high firepower. Both earned fame. The latest to arrive is 135cc Discover. The Discover receives a boost of steroids with a fatter rear tyre, black alloys and black finish on the engine. A rubble tray guards the revised 134.2cc motor's belly, while a visible swingarm pivot section remains a styling highlight, unique to Discovers.

Rising input costs and surging interest rates have impacted Bajaj Auto net profit. For instance, the

quarterly net profit that ended on March 31, 2007 was Rs 3083 million down from Rs 3469.7 million recorded during the same quarter of the previous year—a fall of 11 per cent. The company's net profit for the full year ended March 31, 2007 stood at Rs 12371 million—a growth of 10.13 per cent against Rs 11232.7 million posted during the previous financial year. The company planned to cross the Rs 100 billion turnover mark in 2006-07 with sales of 2.8 million vehicles.

Bajaj Auto announced, on 17th May 2007, the creation of two new entities for its automotive assets and financial services, at the same time leaving shareholders with an option to stay invested in both by turning the existing company into a holding company for the two. The demerger is expected to complete by the end of 2007.

TVS Motors

The TVS did attempt to move with the changing times. The first step really began with the 110cc Victor, produced in house. The bike was a four-stroke. TVS also used the SOW (Sales on Wheels technique). The

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MARKET SURVEY

prospective buyer can take a test ride along with the salesman.

Even without technical support from Suzuki, TVS launched the Victor in 2001, and the fortunes of the company turned around. At present, TVS is the third largest player in the Indian motorbike industry, but the top two players hold over 75 per cent of the market. It wants to improve its share from the present 18 per cent level.

No doubt TVS had earned high reputation in a short period. Credit goes to the company for its first moped 'TVS50' in 1980, the first Indo-Japanese bike 'TVS Suzuki' in 1984 and the first scooterette 'Scooty' in 1994, the first catalytic converter fitted bike, the 'Showgun' in 1996 and India's first four-stroke 150cc bike, the 'Fiero' in 2000.

Currently, TVS operates in three key segments—mopeds, ungeared scooters and motor bikes. However,



TVS Scooty

Battery-driven Bike

The Pune-based Ace Motors launched its first range of e-bikes in June 2006. The bikes, powered by battery, do not require petrol or diesel. Priced at Rs 26,250 (ex-showroom), these weigh 60 kg and have load carrying capacity of 100 to 140 kg.

A full charge of 6 to 8 hours, with an input voltage of 220 volts, would enable the bike to cover a distance of 70 km, and allow maximum speed of 25 km/hour.

The bike is virtually maintenance-free. It has no gears, no engine, no belt or chain drive, zero emission, no pollution, electronic start and accelerator. It does not require any registration or licence.

The bikes have been manufactured with technical assistance from Changtong E-Bike Company Ltd, China. About 70 per cent of component sourcing is done from China, with only the chassis frame, lighting system and bulbs being locally manufactured.

TVS has been badly hit since 2003 when motorcycles began to dominate the scooters segment.

The company's Neo would hit Indonesian roads in 2007. It opened its plant on a 50-acre campus in West Java, an hour's drive from the Indonesian capital of Jakarta. The plant, with a \$43 million investment, has a capacity of 3 lakh units a year. The company is prepared to back this with an additional \$57 million during the period 2007 to 2010. The TVS has to face a real challenge as the Japanese giants Honda, Yamaha and Suzuki together have 95 per cent share of the market in Indonesia.

Neo has some fuel-saving features. A dual clutch system has been introduced so that the bike can be both automatically and manually geared. There is a provision to warm the engine in cold morning with a temperature sensor to indicate when to use the choke.

Suzuki

In 2001, Suzuki pulled out of its joint venture with TVS. Together with the TVS group, this Japanese giant has introduced several successful bike models to our shores through the 1980s

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and 1990s.

Suzuki has come back to India with a new bike. It has already announced its first two models—Heat and Zeus. With a round headlight, the Heat is Suzuki's base model, and is clearly a basic commuter. The handsome 4-stroke engine displaces 125cc. Though it looks outdated, it has some merits: great rubber and plastic bits, fine fit-finish and glossy well-finished paint.

Yamaha

The Japanese motorcycle major Yamaha is in trouble. In January 2006, its sales were 15,105 units. In December 2006, these rose to 18,136 units. But, in January 2007, the sales fell alarmingly to 9,904. The company has incurred losses worth Rs 10,000 million since 2001. It has around 2000 staff on its rolls. The company has lost its hope. It is planning to invest nearly Rs 16000 million over the next five years.

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