

'We will create a pure motorcycling experience'

Siddhartha Lal maintains that the direction of leisure biking across the world is 'disturbing', with motorcycles being supersized, ungainly and expensive. They have become objects to own and not enjoy, says the Managing Director & CEO of Eicher Motors, the parent company of Royal Enfield. With the Continental GT, Lal says it is his company's intention to promote pure motorcycling. Royal Enfield's intent is to be an inclusive, and not elitist, brand where the idea is to have fun, reiterates Lal in this interview with **Murali Gopalan**.

Can you elaborate on what you meant by disturbing trends in leisure biking?

The way bikes are moving around, it is clear the world is getting polarised. On the one hand, there is a bunch of people solving customers' daily commuting needs with small bikes. On the leisure motorcycling side, we at Royal Enfield feel that the direction in which the world market is heading, is towards an extreme form.

Sports bikes have gone android, crazy and super-fast with specs like 180 hp, which makes it impossible for a man or woman to control them. The machine is beyond the comprehension and control of the human being now. Like those

hi-fi movies where robots take over the world, this is a benign form of that setting!

Some people love that for sure but then these bikes are so heavy, so expensive and yet so delicate, that you don't want anyone to come close to them or even touch them. If they fall, God forbid, there is nothing you can do about it!

So, is it this excess that is an issue with big bikes today?

Yes, for sure, there is an excess factor here in that everything around the world has been super-sized. This also meant that the purchase price along with maintenance, insurance, running costs went up.

And if something happens, it is like a ball around your neck which is going to suck up cash.

And in our opinion, this was what was happening globally in the evolution of leisure biking.

In the '60s and '70s, it was essentially mid-size motorcycling in Europe and America which evolved into large motorcycles and people ignored midsize bikes. The world has moved in a particular direction and I grant there will still be space for these enormous, super-fast sports bikes.

Yet, I believe we can create this wonderful space for a different



Siddhartha Lal, MD & CEO, Eicher motors

kind of motorcycling which we call the pure motorcycling experience. It is unadulterated, hardly intimidating and accessible where the bike is built for your joy and not for your ego. Everything we do at Royal Enfield, right from our retail to the way we train our people, is about making motorcycling more enjoyable, more fun and less of a thought.

Can this strategy work only in specific markets?

This is the fundamental truth for the world market and this style of motorcycling will be the way forward. In India, we have grown the

market and it is now two lakh units because of us basically. You can see the market moving into the midsize domain in India. On the other hand, in international markets, with extremes in superbikes, there are demographic factors at play. A lot of people are getting older, urbanisation does not permit travelling large distances within cities and affordability issues are prompting people to look for something simpler in bikes. Because of all these factors, I believe if we get the right product and overall package, the segment shift will happen which will fit the bill.

Can a single global approach work with your bike range?

Largely, all our bikes are for global markets and it is nothing to do with being India-specific or UK-specific. The Continental GT, apart from extremely minor changes for homologation and emission norms, is identical across geographies. In India, we become the definitive premium bike and the larger bikes which are imported are what we call the poser categories in our opinion. In international markets, we become the definitive mid-size bike. But it is the same bike and the same story where the brand has to mean one thing across the world.

To that extent, would you agree that the Continental GT takes Royal Enfield the story to another level, even beyond the Classic?

Absolutely! The Classic was also an international product but what it triggered in 2010 was the amazing run that we have had over the last three years. It has given us the confidence, cash flow and the capabilities to take the game to the next level. And we have taken this game to the Continental GT which triggers for us, what is, a true globalisation phase during the next 5-10 years.

We are not going to enter markets just to sell a few bikes but participate in those where we are going to become a meaningful player and with a view to totally revolutionise and reinvigorate the midsize bike market. The UK is our starting historical base, while the US, Australia, Japan and Europe are all important markets. The regions where we will get lots of volumes are the India-like markets which will typically include Latin America and Southeast Asia.

Would India suffice as the sole manufacturing base for the world?

As far as products, quality and cost structure are concerned, there is absolutely no question in our mind that we will focus our entire efforts over the next decade in developing India as a production base. Since we will be a strategic player in global markets, tariff reasons may compel us to shift some part of our production, but that is some time away because we are not even attacking those markets at this point.

We will ship as much as we can out of India and export full bikes so that we do not mess up the supply chain. We are sticking to our guns and doing what we can do right. It is not our aim to make an assembly line and we want to stay compact and rule the midsize world because we are going to be an efficient player as well.

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