

News monitored for: Royal Enfield

# Royal Enfield gears up for a race against the competition

The Chennai, India-based maker of iconic Bullet motorcycles is readying an arsenal of new models to counter the threat posed by the duo of Harley-Davidson and Triumph in India, writes **Ketan Thakkar**.

At a time when the global premium motorcycle brands Harley-Davidson and Triumph have made an aggressive pitch to eat into Royal Enfield's core of mid-size motorcycles, the maker of the iconic Bullet motorcycle is readying several new models in its arsenal in anticipation of new business rivals.

The company is reinforcing its 350-450 cc segment with three offerings in less than a year. Apart from launching the all-new Bullet (internally codenamed JIB) in early September, Royal Enfield will be bringing in the all-new Himalayan (KIG) in six to eight weeks with a liquid-cooled engine.

To further solidify its offerings and give options to prospective buyers, there is a 440 cc Scram (D4K) under works, which is likely to be launched within a year. This will expand Royal Enfield's line-up to over half a dozen different nameplates. Under its Classic badge, there is a Bobber version also being worked upon.

Under its J-350 cc platform, Royal Enfield will have four models – Classic, Hunter, Meteor and Bullet. Above that will be 440 Scram and 450 Himalayan. The formidable line up will be priced between Rs 1.5 lakh to Rs 2.5 lakh.

The expansion of the product line-up has been in the works since the last four-five years. The company, say insiders, has been well aware of the new competition from Triumph and Harley-Davidson, which were announced 2019-2020.

Apart from protecting its core business, Royal Enfield has also extended itself to higher cubic capacity and also expanded its geographic footprint to more markets globally. The R platform-based 750 cc should be ready by 2025 and so will the L platform-based models which are again initiatives to help the brand stay several steps ahead of the competition.

To support this, Royal Enfield has

committed its highest ever annual capex for the company in FY24. An amount of Rs 1,000 crore will not only go into the new products but also to create capacities to not lose out on any demand on account of lack of supplies. The company has acquired a fresh parcel of land in Cheyyar on the outskirts of its existing factory in Vallam Vadagal in Tamil Nadu.

"We have had a very great year. But I must tell you, we have an even better one planned, which we will see in the time to come. And we have a very strong lineup of motorcycles for the year 23-2024 and a robust plan of growth on the rebalance, which we have articulated," B Govindarajan, CEO of Royal Enfield told investors post the FY23 earnings call.

Annually, about one million units of premium motorcycles priced over Rs 1.5 lakh or 250 cc engine are sold. Royal Enfield has a market share of over 75 percent. In the above 350 cc engine category, the market share swells to 85-90 percent.

While the overall market breadth has remained in the single digit growth range, the premium motorcycle segment has been growing in a strong double digit led by Royal Enfield.

The recently launched Hunter Street motorcycle has been received well in the marketplace and the sales of the brand have already crossed 1-1.5 lakh units.

While the Hunter motorcycle has caught the fancy of the younger buyers, it has impacted the sales of Classic 350 cc – the core pillar of its volume growth in the last decade.

The company will be banking on the all-new Bullet, Himalayan and Scram to bring in new buyers even as rivals Harley Davidson and Triumph try to grab a slice from Royal Enfield's pie. ■

The Hunter and Meteor are current mid-segment models in the Royal Enfield stable that will be joined by the all-new Bullet, Himalayan and Scram in the coming weeks.

