

News monitored for: Royal Enfield

7 NEW BIGGER ENGINE BIKES SOON

Royal Enfield wants brand loyalists to switch to higher gear

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ROYAL ENFIELD WILL add over half-a-dozen motorcycles to its bigger engine bouquet over the next couple of years, targeting a large pool of brand loyalists who it wants to upgrade to larger capacity bikes. Estimates by the brand suggest there are around six million Royal Enfield owners in India.

The Eicher Motors-owned company currently has two models on the twin-cylinder vehicle platform, with seven more models in the pipeline in the next few years. Powered by a 650cc engine, the Royal Enfield Continental GT and Interceptor, also called the 'Twins', are the existing two models in the category.

HUNT FOR NEW CUSTOMERS

■ A challenging goal for the bike maker is to bring in new customers

■ The 350-cc Hunter, launched in August, is specifically built to attract customers moving up from the less-than-200cc segment



■ At ₹1.5 lakh, the Hunter is the most affordable Royal Enfield model on its J-Series platform. The Classic 350, Meteor 350 and the Bullet 350 are the other models on the platform

■ The Hunter is designed to be more accessible, lighter and easy for handling

■ The brand will gauge its success not from its volumes, but acceptability to new buyers

Most of Royal Enfield's volumes come from motorcycles with an engine less than 350cc, while a smaller pie comprises bikes with bigger engine capacity, including the

Twins. Since consumers' appetite for bigger motorcycles is growing, Royal Enfield wants to expand its offering in this segment to tap the potential market.

The shift in demand is also visible in the volumes. By the end of FY21, bikes with bigger-than-350cc engines was 8.85%. But by August-end, this had almost doubled to

15.5%. The brand is confident this natural progression will continue.

"A 350cc owner will not replace his bike with another 350cc. He will look for an upgrade. We will have a much wider choice (of products) in the next 18-24 months for upgrading the existing Royal Enfield customers," said Siddhartha Lal, managing director, Eicher Motors, at a recent investor day conference.

The brand's other more challenging goal is to bring new customers into the fold. These are customers moving up from the less-than-200cc segment and have never owned a Royal Enfield.

For such customers, Royal Enfield introduced the Hunter, a new 350cc motorcycle, which the company claims is specifically built

to address the needs of the new buyer. "We discovered that the customers wanted something more accessible, lighter and easy for handling. That's how we developed the Hunter," Mark Wells, chief of design, Royal Enfield, said in August, when the Hunter was launched.

Priced at ₹1.5 lakh, the Hunter is the fourth and the most affordable model from Royal Enfield based on the J-Series platform. The Classic 350, Meteor 350 and Bullet 350 are the other models on the same platform. Royal Enfield did not share booking or sales numbers of the Hunter, but claims it is not after volumes to gauge the model's success, but its acceptability to new buyers.

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“The Hunter is made for a completely different set of customers. The way we are judging the success of the Hunter is not by the number of units we sell, but by the number of new customers we bring into the fold,” Lal said. The average age of a Royal Enfield buyer is 28-29.

B Govindarajan, CEO, Royal Enfield, said, “The booking numbers are stellar and we have an extremely strong order book for the Hunter.” Two more models will be offered using the J-Series platform, perhaps over the next two years, which will be variants of the Bullet model.

With an expanded and refreshed model line-up, Royal Enfield is also aggressively tapping the overseas markets. From 6.3% clocked in FY21, the share of international sales to Royal Enfield’s total sales jumped to 14.64% by August-end.

The brand’s long-term focus will be to target India-like markets such as Brazil, Columbia, Argentina, Mexico, Thailand and

Indonesia, which have a demand for commuter bikes. It has already set up completely knocked down (CKD) assembly units in three countries, which basically make the final product using kits exported from India.

“Our motorcycles are among the top-selling ones in their segments across markets like the UK, Europe, Australia, New Zealand and across Latin America. The Meteor 350 is now the highest-selling motorcycle in the more-than-125cc category in the UK for this calendar year,” Govindarajan said.