

Product Development in Indian 2-wheelers

Only companies capable of developing products can survive anywhere in the world. The days of foreigner giving technology without exercising control are over in India. The corollary of this is that unlike the 80s when the product had to compete with other domestic efforts, now it has to compete with the best that the world can offer.

Indian companies have gone up steep learning curves in this area. Witness Pulsar, Victor, Nova. But there have been the Saffires & Spectras too. What can we learn from the experience till now ?

Vehicles are the most obvious manifestations of income and "class", and in an increasingly outer directed, status-conscious world, are assured of disproportionate consumer attention. In this the auto industry is the envy of other industries; because redundancy and therefore repeat purchase is driven by the psyche of the consumer; with obvious encouragement from auto companies.

All vehicles are fashions and these will change. People are no longer willing to buy the same model twice; unlike what was happening to Chetak in the 70s and 80s. Each time the customer changes his vehicle, which is now shortening to 3-5 years, he wants to buy an upgraded, new model.

If Hero Honda sales are stalling, it is because though the customer is perfectly satisfied with Splendor, he won't buy it again. He will buy something else in the same segment or a notch higher. If Hero Honda has the model, he will buy it, else he will look elsewhere. The success of Victor has much to do with this phenomenon. Second time buyers are increasing and they tend to set the trend, such that even first time buyers start looking in that direction.

The other paradoxical process is that the market tends to settle to one very big winner. It was Chetak earlier. Then Splendor in Bikes. Scooty in scooterettes. Now Activa in bigger Scooters. In its own way that is the key to Pulsar's success in premium, sporty bikes. Within a category people seem to watch carefully. And then suddenly a clear majority follows one brand/product. I think there are two processes at work. First, people want to minimize risks. We in the industry split hair about products, but if we paid attention to our buying behavior for products we know little about; say TV or an audio system, we would see a similar derisking process on. Second, the pervasiveness of maintenance and ease of parts availability is in direct proportion to the volume of a model. This is not the process in most of the world, where models proliferate, but as of now, this is the reality of our marketplace.

When thinking about new products, two issues are important. What does he not like in current products. The second aspect is what is missing in existing products? The difference is one of perspective. If you plug the gaps of the existing product you are one up but the oomph comes from giving something that was missing. Scooty ousted Sunny because it had none of its weaknesses; sense of size, power, reliability; while Splendor added style to motorcycling.

The other important attribute is the Indian customers desire for balance. We may like to chase skirts but marry the more homely kind ! The customer wants power, style, mileage and economy. Pulsar is powerful, aggressively styled, but Victor is outselling it by a large margin largely because of better fuel economy. The key to Splendor or Activa or the good old Chetak was getting this balance right. The future is not what exists, but customers seem to have appetite for change in measured doses. In that the motorcycle buyer is more adventurous than the scooter one.

International trends will influence what will sell well here but maybe with a lag and if they make sense to our customer patterns. And in some cases not at all. The step through still dominates the South East Asian market but is a form that has not appealed elsewhere. If someone said even in early 90s that motorcycle to scooter sale ratio would reverse so sharply in India, he would have been laughed out of the window. But in retrospect, we have now become true to the global norm, something we defied for 30 years.

Indian designers have yet to develop the design sense to stick to a visual concept. Every bit of a vehicle needs to be related to other parts to present one coherent look. The front and back of most Indian products usually look disjointed. If you compare Victor with Splendor you can see this difference. The line and size of fairing, tank, seat melt into each other in Splendor, but not so well in Victor. Even within a company Pulsar, which is Tokyo R&D designed, and Byk illustrate this gap in sensibility.

If there is an Indian disease in product development it is of launching products prematurely. Without being fully debugged. There is an understandable urgency to get to the market. But, now with foreign products coming in debugged, the customer has become much less tolerant. In fact, once the initial lot shows problems, the product is dumped and even the debugged version finds virtually no takers. That was the fate of Legend. But Pulsar shows Bajaj has learnt its lesson.

The other major problem is the lack of discipline in product planning. Spray & pray seems to be the motto. The list of products introduced in the last decade is a long one. Only Splendor & Scooty paid their bills; and possibly Victor, Pulsar & Activa will pay them. Product decisions have to be a dialogue between the

market and the imagination of the company. When that happens you get crisply defined products and a good strike rate. Failures are inevitable. But some are doomed from the start. It should be some not most.

Of course, in hindsight everything is obvious. Before the event is the time to test the mettle. Each new product occurs under a constellation of new forces. That is why product planning is such fun. But as is for marketing or advertising , everybody has an opinion on new products but few the insight, the discipline and the sure touch. Rhyming is not poetry, saying something that changes the way people see the world is. Products are or should be, something like that.