

URBAN, RURAL MARKETS ON RADAR

TVS Hopes to Sell 2 L Units of New Bike in a Year

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Chennai: Targeting a sales push with its new commuter segment motorcycle launched on Thursday, TVS Motor expects to sell 2 lakh units of the new bike in the next twelve months. With an aim to focus on millennials in semi-urban and rural markets, TVS Radeon is the two-wheeler maker's first offering in the segment.

"Starting from urban, rural to small towns, everywhere this bike will be accepted. We have

three offerings already (Victor, Sport and Star City) and this one is uniquely positioned," said KN Radhakrishnan, CEO TVS Motors. "In addition to whatever we are doing today, we expect 2 lakh volumes to come from the sales of Radeon," he added.

In the first quarter of the current fiscal, the company reported motorcycle sales of 3.9 lakh units, while in FY18, it sold a total of 13.6 lakh units of motorcycles.

Volume growth is expected to be flattish in the economy or commuter segment that includes motor-

cycles with engine capacities of 100-135cc, according to analysts.

Bike maker is riding on expected demand for TVS Radeon that is targeted at millennials

segment to remain flat. It said in a recent note, "We expect other segments (Economy/Executive) to

remain largely flattish/decline in FY19F, given high competitive intensity from incumbents."

The commuter segment which accounts for 45% of overall market share in the Indian two-wheelers according to analysts, has been seeing increased pricing competition, with manufacturers like Bajaj Auto offering discounts in the past few months. TVS Motors has a 7% share in the segment, according to Radhakrishnan. He added that the company may launch more variants of the new motorcycle in the coming months.