

# Benelli seeks to make India export hub

*THE Italian sportsbike legendary marquee brand Benelli is entering into India, one of the world's fastest growing luxury motorcycle markets above 250 cc engines, to compete with a dozen international brands. With global annual sales of 30,000 units, Benelli, owned by Chinese Qianjiang (QJ) group, among the motorcycles makers in China, selling over 1.2 million two wheelers annually in the home country, is eyeing Indian market for growth. In an interview to Michael Gonsalves, in Pune, Frank Zhuang board director of Benelli QJ SRL, says India would be a top market for Benelli as it explores more investment step by step in the country. Excerpts:*

■ **Why didn't you enter the Indian market directly on your own like other international brands?**

India is one of the fastest growing and largest motorcycle markets in the world. We are here for a long haul to make Benelli the Italian spirit of India which is a great market in size and growth opportunities. We will also make India one of the export hubs for our brand. After establishing our footprint in nearly 30 countries like Italy, Germany, France, China, UK, USA, Australia and Spain, we are now introducing some of the world's best designed and performing superbikes to the second largest two wheeler market in the world. The Indian two wheeler market is growing at a volume of 10-12 per cent and is set to achieve a size of 21-23 million units by 2015-16 and we want to be a significant player.

After discussion with several Indian players, we selected DSK Motowheels and have entered into a technical collaboration with them. They have the experience of successfully making, selling and servicing top-



end international motorcycle brand. They are the right partners for Benelli to foray into Indian market.

■ **Since, DSK Motowheels also makes and sells South Korean Hyosung marquee performance bikes in India, will it not create a conflict of interest for you?**

We have sorted out this issue, once and for all. We can co-exist with Hyosung. Because Benelli will have independent and exclusive operations in India right from assembling, selling and servicing the bikes. We will do what we are best at: design, research and devel-

opment, manufacturing. Our partner will assemble, sell and provide after sales service. They will set up eight independent Benelli dealerships across eight cities by January 2015 and scale it up to 20 in as many cities by the end of December 2015.

■ **Will you also enter the mass commuter motorcycle and scooter segment?**

The super sportsbike is growing rapidly in India. We are entering the market step by step. First, we will aggressively tap the market by introducing a range of five performance bikes such as one 300-cc, two 600-cc models, one 899-cc and one 1,130-cc models within the next two months. These will be imported as completely knocked down (CKD) units from Benelli factories in Italy and China and assembled in India.

After assessing and evaluating as we go along, we plan to bring in also commuter motorcycles and scooters. Our plans is to gradually introduce a wide range of portfolio from 50 cc scooters and 125 cc

commuter motorcycle to 1600 cc performance bikes in phases.

■ **When will you set up your full-fledged factory in India and what is the scale of investment you are looking at?**

As I told you, we are here for a long term. We are testing the Indian waters step by step. First, with super sportsbikes bikes and with the technical collaboration with our partner. We are confident that it will be a win-win situation for both. We surely have investment plans for India as we are seriously considering it as one of our export hubs. India could become the largest market for Benelli globally.

We are targeting to scale up our global sales from the present 30,000 units to 500,000 - 600,000 units globally and we expect India to play a major game in our global operations. From technical tie-up at present, the collaboration could go deeper in several areas for mutual benefit.