

125-cc scooters buck market trend; Suzuki Access pips TVS Jupiter to take No 2 spot in segment

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Suzuki Motorcycle's 125-cc Access became the second largest selling scooter brand in India in January by outselling TVS Motor's 110cc Jupiter, on the back of rapid growth momentum in the 125-cc scooter segment.

In January, Suzuki Access sold 54,524 units, while volumes of Jupiter stood at 51,300 units. Honda's Activa continues to be the Number One scooter brand with sales of 213,302 units last month.

The emergence of Access as the second biggest brand is the reflection of the prevailing market trend where higher cc scooters are bucking the trend, while 110-cc-and-below scooters are facing challenges in terms of growth. Overall scooter volumes have been declining for the past few months, 125-cc scooters have seen a growth. In January, overall scooter volumes declined by 10 per cent at 4.97 lakh units.

On a cumulative basis, Jupiter is



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still the Number 2 brand. Its total sales stood at 686,344 units during April 2018 to January 2019, up from 682,074 units in the year-ago period. Suzuki Access' volumes grew to 440,983 units (332,718 units).

But with strong momentum in the 125cc scooter segment, which has been growing at about 70 per cent year-on-year, Access is expected to close the gap significantly with Jupiter in the coming months.

"Shift in customer preference for higher cc variants, new product

launches and improvement in technology in the 125cc segment is expected to keep this segment on growth momentum," said Subrata Ray, Senior Group Vice-President, Itra.

Higher fuel prices

Meanwhile, multiple factors have led to creating road blocks for 110cc-and-below scooters, which were bucking the overall automotive market trend until a couple of quarters ago.

"A lot of that could be attributed

to the fact that by and large scooters are not as fuel-efficient as bikes. And the fact is that fuel prices went through the roof. And, therefore, from a value point of view, it got challenged as far as scooters are concerned and demand got compressed," Sanjay Bhan, Head of Sales and After Sales, Hero Moto-Corp, told at the latest conference call of the company.

An official from Honda Motorcycle and Scooters India also confirmed that liquidity constraints was a major factor in fall in volumes of 110cc-and-below scooters.

"New insurance regulations coupled with the inflationary trend in fuel prices as well as a hike in interest rates by financiers led to increase in the cost of acquisition of 2-wheelers. For the same price, motorcycles offer a better value proposition in terms of mileage and power. This could have resulted in a shift in demand in favour of motorcycles," said Ray.