



Sitting on a 56% market share in the automatic scooters segment and a 24% market share across all two-wheeler categories, Honda has achieved in India what few companies with much longer histories have managed. It has set new benchmarks for quality, introduced cutting-edge technologies, pioneered the concept of safe riding education and fashioned outlets that buy back used two-wheelers and sell pre-owned ones. In just fourteen years the company has increased sales from a mere 55,000 units per year to a huge 4.45 million units. Supported by a family of 17,000 skilled professionals, 3750 touch points now reach out to every nook and corner of this huge country.

Market

At the dawn of the new millennium, when motorcycles were the favoured two-wheelers, the market was out



while the Indian two-wheeler industry has quintupled from 3.30 million units to 16 million units per year, Honda sales have cumulatively increased 80 times – from a modest 55,000 units to 4.45 million units.

It wasn't just numbers Honda was chasing. As a philosophy, Honda has always believed in *being a company that the society wants to exist*. From the very beginning Honda has been pro-actively committed to the market. As a result of this, Honda introduced the concept of 4S – Sales, Service, Spares and Safe-Riding – in all Honda exclusive authorised dealerships as far back as 2001.

of bounds for Honda because of contractual obligations with its erstwhile partner. The scooter market, on the other hand, was tethering on irrelevance and was increasingly being considered a dormant product category. Caught in this dilemma, Honda Motorcycle and Scooter India (HMSI) looked at this Hopson's choice and turned the argument on its head – remembering at all times that this quandary had proved to be the waterloo for many formidable giants in the past.

Confronted with the task of saddling an unpredictable horse, Honda chose, as its debut in India, the automatic scooter – a segment so niche that it was almost non-existent. Dubbed as a strategic suicide at the time of its launch, the 110cc Activa propelled Honda's success in India.

Since then, Honda has emerged as the leader in automatic scooters, commanding 56% of the market share in the 2014/15 financial year. But ten years earlier Honda – liberated from its contractual obligation – entered the motorcycle segment. Today, one in every four two-wheelers sold in the Indian 16-million-units-per-year market is a Honda.

Achievements

The success of the Activa gave Honda a solid foundation. The company not only created a whole new category, it blazed its way into the hearts and minds of people. It wasn't long before Activa became the first choice of the family and a generic name for automatic scooters.

The history of Honda Motorcycle and Scooter goes back to 2001. In the fourteen years since,

This was the first time that any manufacturer in India had placed an emphasis on developing a safe riding culture.

To date, this initiative has helped train over 400,000 people across India including new and existing riders – both males and females – on road safety habits.

As a young brand itself, Honda chose experience over passion and enthusiasm in selecting its dealerships in India. The majority of the 60 Honda Exclusive Authorised Dealerships (HEADs) in the first phase were entrepreneurs under 30 years of age who have, today, grown with Honda.

In the pecking order, Honda has many things to be proud of: Activa is India's No. 1 selling automatic scooter, CB Shine leads in the 125cc motorcycle category while the recently launched Dream series is rapidly accelerating; it has already crossed the 1 million mark.

With such a distinguished record, it was inevitable that accolades would flow thick and fast. The company has been conferred more than 100 prestigious awards, including several for community building initiatives. In the most recent honours, CB Shine and CB Unicorn, hailed as engineering masterpieces by critics as well as the masses, have received the prestigious

J.D. Power Asia Pacific Awards, validating Honda's commitment to developing quality products and its commitment to bringing top-end technology to India.

History

The history of Honda two-wheelers in India is embedded with landmarks: sharply tuned marketing strategies, differentiated communications, outstanding products, cutting-edge technology and a liberated attitude.

Not surprisingly, Honda has raced ahead in its business expansion. Sales in the 2010/11 financial year were 1.66 million units from a single plant at Manesar. Its network was restricted to 1200 sales and service touch-points and a total of a little over 7000 associates worked for it. From Honda's perspective – and in view of its plans – that simply wasn't good enough. The company moved rapidly.

In the four ensuing years, it expanded its production to three sprawling campuses: Manesar in Haryana, Tapukara in Rajasthan and Narsapura in Karnataka and to five regional- and eleven zonal-offices, to give the company a pan-India visibility and a reach deep into India's hinterlands. From its pre-dominantly urban presence, Honda was now a pan-India entity with 3750 touch points and a family that exceeded 17,000 people.

Product

The success Honda attained with the launch of its automatic scooter spurred competition to look at this emerging category. Despite several launches made by them, Honda not only retained its leadership, but also increased its market share.

Much of this also has to do with the aggression Honda has shown. To bridge

need gaps it has launched several new models in this category: the Dio, India's first uni-sex moto-scooter and the stylish Aviator. Anticipating the consumer's need for a more powerful, high-performance scooter,

Honda launched the upgraded Activa in 2014 with an advanced 125cc engine.



In 2004, HMSI, now free from any obligations, entered the largest chunk of the two-wheeler business: motorcycles. From the brands' standpoint, Honda followed the top down approach ensuring that its first model was a 150cc premium motorcycle. The CB Unicorn personified Honda's R&D innovations and superior technology and its success proved to be a stepping stone to more success. Between 2006 and 2010, Honda switched gears launching a succession of models in the 150cc and 125cc categories. In 2006, came the 125cc CB Shine followed by the sporty fun bike, the 125cc CBF Stunner in 2008.

In 2012, Honda entered the mass segment motorcycle market with Dream Yuga. This was the first of the triumvirate and was later followed by its other two Dream series siblings – Dream Neo and CD 110 Dream all powered by the revolutionary Honda Eco Technology (HET)



which, in a highly cost-conscious market, offered the spectacular mileage of 74 kilometres per litre.

The Combi-Brake System (CBS) is another technology patented by Honda which debuted in India with Activa. CBS enhances rider safety, making the breaking process more effective and reliable through significant reduction in stopping distance and offering more stability. At present, all of Honda scooters are equipped with the CBS while three of its motorcycles – CB Trigger, CB Unicorn 160 and CB Shine are available with this variant.

To enhance the rider's confidence, Honda pioneered the Combined Anti-Lock Brake System (C-ABS) in the CBR 250R. This brought together the Combined Braking System (CBS) and the Anti-Lock Brake System providing more stability during braking. The ABS prevents wheel lock during sudden braking or under unfavourable conditions.

Recent Developments

Never to be meandering along, Honda announced its next leap of business expansion with a focus on being *Bigger* with new manufacturing capabilities, *Better* at customer satisfaction and *Bolder* with the introduction of fifteen new models in just one year.

Starting with the launch of new CB Unicorn 160 in January 2015, Honda has electrified the Indian two-wheeler market with thirteen new offerings in just six months. The excitement continues to grow as Honda enters new categories with exciting products like the CBR 650F.

Preparing for future growth and to serve customers more efficiently, Honda is investing in expanding its production.

Already, Honda has announced its fourth plant in Ahmedabad district in Gujarat; with this Honda will become the 1st two-wheeler company in India to have manufacturing bases in three geographical regions – North, West and South. Honda will aggressively invest over ₹1685 crore, increase its production capacity to 6.40 million units annually and take its manpower count to more than 20,000.

Promotion

India is a land steeply related to its idiom. To connect with people, Honda decided that the first correct step would be to communicate in the language they best understand. This was the cue to develop an India-specific brand identity. Research led the company to the doors of *Sach Kardenge Sapne*. This simple phrase united the people's aspirations and dreams with the reality of Honda's technology – and proved to be a winner.

The strategic corporate direction that Honda has taken comprises the three Cs – *Communicate* through a rationalised Indian brand slogan, *Connect* emotionally with customers by associating with an iconic brand ambassador and *Create* a new benchmark while foraying into the mass motorcycle segment.

As its next move, being the only Honda in the Indian two-wheeler industry, Honda re-emphasised in its distinct and differentiated identity – the *Wings*. A powerful, integrated campaign – Honda is Honda – was launched in 2014. It was designed to

elevate Honda to a new orbit and echo the trust that customers repose in this iconic brand.

But while brand Honda was being built at one level, the integration of this brand with its international *avatar* was important to complete the picture. Motorsports for decades has been a passionate endeavour for Honda. Thus one of the initiatives it has taken is to develop the Honda One Make Race. This initiative has proved so successful that it has given many talented youngsters an opportunity to participate in the global arena through the Honda Asia Dream Cup.

Brand Values

Honda strongly believes that it is in the business to provide physical, personal and social mobility to society. It has earned an enviable acceptance in the Indian psyche because of factors like trust, durability, innovation and technology that it has come to be associated with.

The company is proud to be the first in the industry to collectively promote fun, safety and environment in India. As a responsible corporate citizen, the need to contribute to building a united society is embedded into its overall vision.

Under the *People Come First* philosophy, Honda promotes Road Safety as an integral part of its business. It will continue to engage with all



customers – students, working women, home-makers and senior citizens to spread this noble cause further.

Honda's long-term vision is to touch the lives of the country's millions and enable them to realise the Power of Dreams.

Things you didn't know about HONDA 2-WHEELERS

- ▶ Honda is the world's largest two-wheeler company with more than 300 million two-wheeler customers worldwide
- ▶ Every seven seconds a new customer joins the Honda family in India
- ▶ In 1999, Honda had a 22-member team in India; today it has evolved into a family 17,000 strong
- ▶ Activa is India's best-selling automatic scooter, while CB Shine is India's best-selling motorcycle in the 125cc category
- ▶ Honda has brought its four global fun bikes with engine capacity of over 1000cc to India: Goldwing, CBR 1000RR Fireblade, CB 1000R and VT 1300CX
- ▶ Honda's unique initiative, Dream Riding, teaches females how to ride a two-wheeler in four hours flat. 14,000 women have so far learnt from this programme
- ▶ Honda Best Deal is the specialised Honda outlet where customers can exchange their old two-wheeler for a new or certified pre-owned Honda two-wheeler at an affordable price