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'TI Cycles riding high on trendy bike demand'

Pranav Nambiar, Bangalore

The users of the time-tested standard bicycles, generally associated with labour class, are slowly thinning. Having less than a third of the market share for several decades, trendier bicycles account for 50% of the total pie. Talking to *DNA Money*, Arun Alagappan, the sr. vice-president of TI Cycles of India which owns the BSA brand, spoke about the bicycle industry as well as the company's future plans. TI Cycles is a part of the \$2 billion multi-products Murugappa Group and sells the BSA brand of bicycles with around 30% market share in the 3 million unit bicycle industry in India.

How did the bicycle industry fare in the last one year in the wake of a slowdown?

The segment has shown a steady growth of around 3-4% which is lower than what it was in

the last few years. Issues like bank finance do not impact this space as it does to the automotive industry. Cyclists are shifting focus towards trendier and sportier models that is gaining momentum.

Can you elaborate on the cyclists' shifting preferences?

Historically the bicycle market was dominated by sturdy basic cycle models like the ones villagers use. However, there has been a shift in the user profile with more bicycle enthusiasts, school children and IT guys picking up cycles. Also, folks



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Arun Alagappan

who previously bought cycles to commute to work and used the basic models, are now shifting to mopeds and motorbikes. Today, around 50% of cycles sold in the country are the high-end ones.

You have launched the super premium bicycles. Which are the segments you are focusing?

We have been studying the markets along with two international bicycle majors — Cannondale and Bianchi. There is an emerging breed of users for high-end performance bicycles for pleasure or mountain biking. The size of this market is about 7,000 units annually which is growing at 25%. Players like Firefox and Merida, which import bicycles, dominate the market. In partnership with Cannondale and Bianchi, we have launched 17 bicycles ranging between Rs 17,000

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You also ventured into the electric scooter segment recently? How is this performing?

We are selling around 700 units of our eBikes monthly under the BSA brand. We are just a few months old in the business and are looking to expand our branch network from 23 to 38 in the next few months. Now, we are primarily present in Andhra and Tamil Nadu and are looking at Karnataka and Kerala as our new markets. The industry is still in a nascent stage with around 1.5 lakh units being sold in a year led by Hero and Ultra Motors. We are talking to corporates and institutions like Pizza Hut and IITs, who have shown interest in our vehicles. Women and traders are driving our sales.

Are you going ahead with your other foray — the fitness equipment business?

We are relatively new in this business as well. We see fitness equipment business as an extension to bicycles, a natural progression. The company expects to sell about 4,000 units of equipment like treadmills next fiscal. We recently launched our stand-alone fitness equipment store called BSA Workout and are looking to expand on this as well.

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