

We want to grow Volvo group as a whole, not just in trucks

VOLVO Trucks, part of the equal Eicher-Volvo joint venture, is the top player in the Indian premium truck segment, which falls in the price range of over Rs 70 lakh. The company has just come out with a new heavy-duty 10x4 dump truck, priced at about Rs 1.08 crore, with a promise to offer much higher productivity and efficiency. In an interview with G Balachandrar, company's managing director said they are gearing up for a bigger play across categories through its subsidiary operations and Eicher JV. Excerpts.

■ In a price-sensitive Indian truck market, you have sold over 7,500 trucks in the premium segment. What are the expectations of customers in this segment?

We created the premium segment in a price-sensitive Indian market 15 years ago. We are the market leader in this segment and we are also price leader. The very interesting part of success story is that customers have followed us on the premium value we offered in our trucks. If customers are shown beyond the initial price - the value and the optimal total cost of ownership (TCO), they are willing to pay higher price. I believe the concept of TCO of selling business propositions not just trucks is at the heart

of everything we are doing at Volvo and we have constantly exhibited that our trucks provide maximum uptime, backed by the best service network. Moreover, in mining applications, customers cannot afford to see any halt in running of trucks as it will stop the entire system like the excavators and all other machines. So, the cost of choosing the wrong product is enormous.

■ What have been the key drivers of growth for Volvo premium trucks in India?

Understanding of the market, listening to the customers and delivering value are our strengths. We are not just selling whatever in our portfolio, but sit with customers, discuss their busi-

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ness plans and offer the right product from our stable. Also, support the customers with premium quality service back up. We have delivered products not just during boom period, but also in challenging periods to help customers improve productivity. So, it is very easy to be a partner in good times, but it is more important how you behave in the bad times. Customers have always



come back to us. This 10x4 launch is also an innovative offering to our customers for achieving higher productivity and efficiency at optimum cost during these bad times.

■ What are your views on the future opportunities for Volvo in Indian coal mining sector? Is there a potential for further innovative products for mining applications?

The current situation in India is not a normal one. Though there are several others reasons, it is fair to say that there is an unsatisfied need for coal in India. Country imports about 20 per cent of coal requirement, while the same is available under your feet itself waiting to be tapped. This situation will change and I am confident that as soon as the country finds the way to free it up to be tapped, it will bounce back strongly. India would then need a strong coal mining industry and the mining industry would need Volvo. Having said that, like the 10x4 innovative product we have rolled out now, we see more opportunities to come out with innovative truck products offering higher productivity and efficiency for mining applications.

■ Where does the Volvo brand stand in India now and what kind of growth curve are you attempting?

We want to grow as Volvo group here, not just trucks alone. We are present in India through three legs - Volvo brand in premium segment, VECV (VE Commercial Vehicle), the Eicher group JV, in the mass segment and the global hub. But we are investing heavily in VECV in the Eicher brand as we are convinced that there is huge potential. In mass segment, there is a duopolistic structure and there is space for everybody. When we say we want to grow our market share in heavy-duty segment, it is about Eicher trying to take its natural place in the market. In global hub operations, we have over 2,000 people working for R&D, IT, business services departments serving the Volvo group operations across the world. So, we have a strong and balanced foothold in India.

■ While highways development has been getting adequate attention, what according to you, are the key measures needed to develop an efficient trucking industry in the country?

Before coming to India, I had the idea that there were no highways here. But actually the country has lot of good highways that was a surprise to me as I have been working for India as head of product and marketing for Volvo buses globally. India invests a lot on highways and has the highest road network.

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(The correspondent was hosted by Volvo India in Bangalore)