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Luxury vehicle makers adopt innovative 'Go to Market' strategy to target emerging breed of HNI

By [Ketan Thakkar](#), ET Bureau | Feb 20, 2016, 06.20 AM IST

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MUMBAI: To reach out to high net worth individuals (HNIs) in the interiors of the country, luxury vehicle makers are adopting an innovative 'Go to Market' strategy.

US premium bike maker [Harley Davidson](#) on Thursday brought its global 'Legend on Tour' concept, which is like a showroom on wheels.

It is a luxury bus modified by Dilip Chabbria, which will showcase range of Harley Davidson motorcycle and range of accessories and will travel across the cities like Agra, Vizag, Ludhiana, and Raipur amongst others, where the company has no presence.

Likewise India's largest luxury car maker [Mercedes Benz](#) is taking a similar concept to the next stage, by coming out with Luxury Pop Up stores, which will be temporary showrooms set up in the interiors of the country through Hangars, which will remain in the market for a over a month, with a complete setup, before the three star Merc moves to the next destination.

Marc McAllister, VP and MD of Harley-Davidson Asia-Pacific told ET, The 'legend on tour' is not a unique strategy for India, we do it in other markets of Europe and China as well.

"It is really about going out to the smaller towns and ensuring that we are delivering an experience in a place, where you are not going to have a big enough case for physical infrastructure," he said.

Not surprisingly, according to Kotak Wealth Management Report in 2015 on Indian Ultra High Net worth Individuals, a significant 44% of them coming from the smaller towns and cities and despite the low outreach, the consumption have been growing well.

An analysis done by Frost & Sullivan based on Kotak Wealth Report, the number of [High Networth Individuals](#) (with a turnover of over a million dollars) in this country is likely to exceed over 1.6 million by 2020 and the key drivers are the emerging small towns.

What vehicle makers are doing, is proactively reaching out, instead of waiting for them to come to the company.

VG Ramakrishnan, MD at consultancy firm Avanteum Advisor says, it is not for lack of income, the ostentatious consumption is still not there in Indian psyche. The issue lies in how companies reach out to these guys.

He says, the entire marketing to rich people has become over sophisticated and this is primarily based on earlier culture, where only industrialist could afford such kind of cars, but that has changed.

"With start-up culture happening, balance is tilting, it is not old rich, but the new rich, if you look at profession by profession, potential is humongous. It is about what is the go-to market strategy is for the luxury vehicle makers," added Ramakrishnan Retail innovations like 'Star Showcase Pop' coupled with a strategic network expansion in those new emerging markets will take luxury motoring to a completely new customer base, well beyond established metro markets, says Roland Folger, MD of Mercedes-Benz India.

"We believe the markets beyond metros will be the engines of future growth for luxury motoring, and we are glad to make an early move in unlocking potential," added Folger.

Clearly for a lot of multinational companies have started approaching India as a continent and setting up of regional teams has become the order of the day. Concepts like Showroom on wheels and temporary showcases have become an integral part of the growth strategy.

Mercedes Benz's rival [Audi India](#) had a significant success with its Mobile Terminal Concept - similar to Legend on Tour of Harley.



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Audi designed a massive 15 wheels tractor trailer which moves from city to city. Having kick started the initiative in September of 2015, Audi has already reached out to customers in Amritsar, Agra, Aligarh, Ambala, Jodhpur, Kota, Hisar, Meerut, Moradabad, Muzaffarnagar and Saharanpur.

The initiative has led to thousands of inquiries with few hundred incremental buyers too. Year 2016 will see the scale of Audi Mobile Terminal to expand. [Porsche](#) has representatives in the smaller towns and cities, even though there are no showrooms. Porsche has been regularly conducting clinics and events for sales as well as service.

In the past year, Porsche has conducted 10 service clinics in cities such as Coimbatore, Kozhikode, Panaji, Pune, Kanpur and Chandigarh and another 50 prospect outreach program in places like Rajkot, Thrissur.

A Porsche GTS drive event conducted in November 2015 gave over a hundred Porsche enthusiasts the opportunity to experience the Cayenne GTS, Cayman GTS and Boxster GTS across Ahmedabad, Surat and Baroda.

Sales and service initiatives in these cities is supported by customer teams based out of cities such as Pune, Indore, Chandigarh, Calicut, Thrissur and Chennai.

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