

Mercedes India looks to balance out the ride between SUVs, sedans

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Mercedes-Benz India is expecting a balanced growth between sedans and sport utility vehicles (SUVs), going ahead, amid a robust demand for vehicles in both these segments. This was stated by its managing director (MD) and chief executive officer (CEO) Santosh Iyer on Wednesday.

SUVs have become highly popular during the last few years but there is still a strong base of customers that love sedans, he told *Business Standard*.

Currently, the share of SUVs to sedans in the company's sales is 52:48.

"A few years back, the share of sedans was about 52 per cent," he said.

On whether Merc expects the share of SUVs to increase from 52 per cent,

he said, "We don't. We have a balanced portfolio. We are firmly and fully invested in both — sedans as well as SUVs."

In the long run, the company expects the share of SUVs to go up to 55 per cent, he added.

"There are two types of customers: one type wants a wider presence on the road. So, he or she goes for the SUV. But then, the other customer is more drive oriented. So, he or she goes for the sedan. Sedans give much more comfort while driving," he said.

Mercedes-Benz India on Wednesday launched the second generation SUV 'GLC'. "The older GLC sold out by December. For the last seven months, we did not have a product in this segment," he added.

During the last two weeks, the company has received 1,500 bookings



(Left to right) Vyankatesh Kulkarni, executive director and head of India operations; Lance Bennett, vice-president sales and marketing, and Santosh Iyer, MD and CEO of Mercedes-Benz India, at the launch of the new GLC in Gurugram on Wednesday

for the new GLC, which is the highest ever for any car that it has launched in

India. "This shows the pent up demand for this car," Iyer said.

The luxury car market has three segments — the entry level segment that includes cars priced between ₹40 lakh and ₹60 lakh. Then, there is the core luxury segment that has cars priced between ₹60 lakh and ₹1.5 crore. The top level segment has cars priced above ₹1.5 crore.

"Our share in these three segments was 15 per cent, 60 per cent and 25 per cent, respectively. GLC comes under the core luxury segment (with prices starting ₹73.5 lakh)," Iyer said.

During the first half of 2023, the German carmaker sold 8,528 units in India. This is 13 per cent higher than the figure in the corresponding period of last year.

The company is also transforming its dealership outlets into modern 'MAR20X' outlets. This would give a boutique experience.

"Earlier, showrooms used to display all models and were luxury garages. From there, we are transforming them into boutique outlets. These outlets will only have top end models on display. Rest of the cars will be available for test drive. There will be a dedicated delivery bay that will be one-third of the showroom size. This is because a car delivery is a high point in a consumer's life and we want to make it special," he said.

Currently, the company has 100 odd outlets across India. It has already transformed 11 outlets into 'MAR20X' outlets.

"You will find this MAR20X format across India in the next two years. We intend to transform most of our outlets into the new MAR architecture by then," Iyer added.