

India's growing wealth reshaping luxury car demand: Mercedes-Benz

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Mercedes-Benz India is banking on premiumisation to drive its next phase of growth, with top-end vehicles accounting for 25 per cent of sales compared with 15 per cent globally, Santhosh Iyer, Managing Director and CEO, Mercedes-Benz India, told *businessline*.

SHIFT IN DEMAND

The richer mix, alongside a 40 per cent rise in average selling price around ₹1 crore, signals a structural shift in demand as the company retailed 19,007 cars in CY2025 and prepares to further expand its portfolio.



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SANTHOSH IYER
MD & CEO, Mercedes-Benz India



"The average selling price... is now ₹1 crore. That's a 40 per cent change," said Iyer, adding that volume growth, alongside rising ticket sizes, points to a more mature luxury ecosystem. Iyer attributed the de-

mand shift partly to rising incomes and wealth creation. "If you see in the last 10 years, the per capita GDP doubled... our sales almost doubled," he said. The pace of growth has ac-

celerated, with the company selling nearly 1,00,000 cars in the past five to six years, matching the total sold in its first two decades in India.

UPCOMING LAUNCHES

The company announced plans for 11-plus launches for the year, which include ICE, EVs, top-end models and a couple of EVs.

Mercedes-Benz India will launch its all-new CLA battery electric vehicle (BEV) in April, marking a significant milestone in the luxury automaker's electric mobility strategy for the Indian market.

"We are agnostic on the powertrain. It's not like we have an EV-only strategy or a combustion-only strategy," said Iyer, emphasising a bal-

anced portfolio approach. Beyond products, the company is strengthening customer reach and service infrastructure.

NEW TOUGHPOINTS

"We will still open 20 new touchpoints this year," he said, noting that the focus is on expanding workshops and service access, rather than adding showrooms.

"Our focus is more on creating new workshops and touchpoints than new showrooms. Our dealers are investing close to ₹450 crore in revamping showrooms."

With a richer product mix, expanding EV portfolio and rising luxury consumption, Mercedes sees India as a long-term growth market with significant headroom.