

2022 sales grew three-fold in India: Lexus President

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2022 proved to be an eventful year for the 5-year-old Lexus India, the Indian arm of Japanese automaker Toyota's luxury-car brand. A strong revival of the luxury car market in India helped Lexus achieve strong growth in the calendar year.

Naveen Soni, President, Lexus India spoke to *businessline* about the luxury car market, Lexus' growth, and new product launch plans. Excerpts:

How did 2022 play out for the luxury car market in India?

It was good to see the industry coming out of the phase of volumes shrinking to less than half and other challenges. 2022 saw the luxury car market spring back to 2018 levels, that is volumes will be in the region of about 40,000 units, with a share of 1.5 per cent in the overall passenger vehicle market.

However, this is actually

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President, Lexus India

not a true reflection of the wealth available in the country. In Japan, the luxury car market accounts for 5-7 per cent of the overall car pie, while China's luxury car market size (15-17 per cent) is equal to the size of India's overall car market. The share of luxury cars is 10-12 per cent in Europe, and is significantly higher in the US.

While we are bullish about the outlook given macro-economic indicators, volumes could be much higher given the size of the Indian economy and growing wealth.



How was the year for Lexus India?

Lexus India's business grew threefold in 2022, though I am unable to share the numbers. We also expanded the network significantly - from 4 outlets (in 4 cities) at the start of 2022 to 15 outlets (in 13 cities). We also provided the online mode for customers to place order.

Also, the Indian arm is fortunate to assemble ES300h at the Bengaluru factory. This new line for Lexus is a matter of pride for us as this is the first assembly line in Asia outside of Japan

that could produce luxury vehicles at Japanese standards. It took a lot of effort to produce Lexus in India. It was a wonderful journey of getting the right talent with skill, mindset and craftsmanship here to make Lexus.

What is your sale mix? Do you see preference for SUVs?

We offer six models now. For us, SUVs are witnessing faster growth and we hope it remains so. While there is definitely a shift towards SUVs, with young businessmen with a few years of experience are walking into outlets to buy Lexus vehicles. More than 80 per cent of our customers are businessmen. These are typically people who have a liking for Japanese hospitality and craftsmanship.

What are you showcasing in the AutoExpo?

We will unveil our 5th generation hybrid SUV RX, with connected car technology for the first time. We will also display our electric products, so people will get to see a whole new

side of Lexus from the global stable - some for the next launches and some for the future.

What about electric cars?

We have imported a few sample UX battery electric Lexus vehicles with an intention of introducing EVs here. But there are two deterrents - heat and dust. Thus, EVs have to undertake adaptation and trials in India.

Of course, there are challenges - operational issues, availability of charging infra, etc. Consumers will not be willing to adapt their lifestyle based on the products they buy, the products have to adapt to their lifestyles. Lexus has taken a pledge that globally its portfolio will become 'fully electric by 2035.

What's your focus in 2023?

Firstly, we will focus on consolidating what we have after achieving 3x growth in 2022. We don't want to run after numbers. It is always been the company's philosophy to take care of customers so that they become our future ambassadors.