

'New compact SUV to drive Skoda's growth'

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Czech automaker Skoda Auto will introduce a new compact SUV in 2025. Made in India and for India, the sub-four-meter SUV will be manufactured on the company's MQB-AO-IN platform. The SUV is expected to double the company's market share after the launch. *businessline* spoke to Petr Janeba, Brand Director for Skoda Auto India, on the sidelines of the announcement. Excerpts:

What is Skoda India Auto's strategy with the new compact SUV?

In one year we will be launching the first compact SUV. This was always our target to bring in a product in sub-four meters. There are 63 per cent of consumers buying in the four-meter segment. We did not have a car in that segment, and today we have crossed a very important

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PETR JANEBA
Brand Director for Skoda Auto India

milestone for the growth strategy in India. We understand that the segment is a very big potential for Skoda. We need to expand the network and prepare new partners.

How does the company plan to expand touchpoints and penetration in Tier 3 cities?

We plan to reach 280 touchpoints by the end of 2025. However, it would be done through a responsible approach as some of the markets are not delivering the potential for our cars big enough to make it profitable. In



such markets, there are two possibilities, either we leave it to the market, but the customer experience is missing in this option.

The second that we are looking at is to develop a new function which is not 100 per cent dealer-employee function. It will be through freelancers who are active in social media and can create user-generated content for our car.

At the same time, the freelancers will be close to the local market and they will be ambassadors for the local dealers who are present in the nearby cities and be the influencers for the brand using our car. Their content will be

authentic and it is a digital solution. Once we conduct the pilot in India, and if it is successful, then we will introduce it to other parts of the world where the current network is not satisfactory.

What kind of partnership are you looking at with freelancers and influencers for the network expansion?

We are currently working on the integration and programming. It will go through robust processes and be cleared by the finance and legal team. We need to train our sales staff. The programme will be ready and piloted in the next six months.

What is Skoda Auto's current market share in India?

The company's current market share in India is 1.2 per cent and it will go up to 5 per cent by 2030. We will be introducing new products and the new compact SUV will double our volumes. Our performance

decreased last year when compared to 2022. Octavia has a huge customer base with 70,000 drivers on the road. We need to bring it back.

Our two main sources will be the new compact SUV and locally manufactured electric vehicle, which will be introduced in three years. As a brand, we will focus on locally manufactured and fit-to-customer range, but at the same time, we will keep a portfolio in the upper car segment, which will define the brand in Europe.

Will Skoda Auto be diluting its stake in India?

We will do everything for Skoda to continue successfully in India. I cannot comment on that.

Has the expansion of the Chakan plant been completed? Will you be increasing capacity?

The expansion will be completed this year, and it will add capacity of 30 per cent for the company.