

# 'The future of mobility in India is undoubtedly electric'

*The India launch of the Volvo XC40 Recharge on Metaverse on July 26 saw the order book full within two hours of the bookings being thrown open. A record 150 cars—the year's entire supply—had been ordered by customers. An exhilarated Jyoti Malhotra, managing director, talks to Alok Ananda Chakraborty about the top trends in automotive tech today. Excerpts:*

You have positioned Volvo XC40 Recharge as a luxury electric vehicle (EV), albeit the most affordable. Are customers in India ready to pay a premium for EVs?

The XC40 Recharge gives customers luxury in an EV at a very attractive ex-showroom price of ₹55.9 lakh. This has narrowed down the price difference between an internal combustion engine (ICE) luxury and an EV with a marginal increase, making EV ownership attractive. The shrinking difference in cost of ownership between electric and other technology platforms, as well as a rising segment of customers concerned about the environment, has resulted in a fundamental shift in purchasing behaviour in favour of luxury EVs. And this is the reason for XC40 Recharge selling 150 cars within two hours of the opening of bookings.

What kind of localisation are we looking at? Batteries are still very expensive. So if it is localised, can we expect a smaller price difference between an ICE vehicle or a mild hybrid and a strong hybrid?

Volvo took the first step to localise in the e-luxury segment by committing to assemble the XC40 Recharge in India. The price difference between an XC40 Recharge and a similar ICE offering is marginal, making it

one of the most attractive offerings in e-luxury. We are evaluating future plans for localisation, and this will happen in tandem with the growth and development of the EV ecosystem in India.

What are the top trends in automotive tech today? Are there any changes in the way customers interact with their vehicles today compared to the way they did even five years ago? Will voice gain in importance over time like it has done in the mobile phone industry?

The top trends in the automobile industry today are based on digital technology that enhances safety and reduces driver stress. This includes features like navigation assistance, blind spot information system (BLIS) that provide active support when changing lanes.

The advent of AI in automobiles has definitely changed the way that drivers interact with their vehicles as compared to five years ago. Driver vehicle interaction is getting increasingly digital and AI sup-

ported voice activated virtual assistant technology is coming to the forefront. This will definitely result in a shift from manual intervention to voice communication between the driver and the vehicle.

What would be the top three things that customers want today from their automobiles? Many say the automobile market is completely moving away from established automotive segmentation. Do you agree?

I personally think that the established automotive segmentation will remain as the Indian consumer covers a wide economic base. In the luxury segment, this segmentation does not play a major role, but brand integrity and brand value amongst peer group do influence purchase decisions.

Indian car buyers are evolving away from price considerations towards vehicle quality, safety, appearance, and content. Customers prioritise safety, dependability and premium interior

comfort when purchasing a vehicle.

Despite the savings in terms of fuel, etc., the government is not giving any tax benefits for hybrids. Do you see that changing? The government's thrust is on EVs. Phase-II of the government's FAME Scheme does have a mention of strong hybrids for passenger cars. However, if the government's aim is to reduce the country's fossil fuel bill, then complete electrification is the answer.

It is mainly due to this that the government is encouraging the growth of EV charging stations and even the public sector oil marketing companies are setting up charging infrastructure on national highways.

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What is Volvo's projection for hybrid or EV adoption in India?

The future of mobility in India is undoubtedly electric and we are seeing a steady growth in the charging infrastructure in the country. This will definitely give greater acceptance to EVs. We have phased out diesel automobiles in India and are aligned with the company's global ambition to become an all-electric car brand by 2030. Beginning this year, we plan to launch one new EV every year in India, with the goal of having EVs account for 80% of revenue by 2025.

