



A comfortable ride

Green, hybrid, luxury, and covering both city and countryside — Tata Motors has ramped up its bus portfolio to offer a range of new wheels and comfortable rides across the world

On the streets of Madrid, Spain, trial runs are being taken with a bus that is the very definition of green. Cruising on a mix of CNG (or diesel) and electricity, these high-end, high-tech coaches come packed with sophisticated features such as an automatic electric mode that reduces emissions significantly and a regenerative braking system that recharges the battery and brings fuel costs down by as much as

30 per cent. What's remarkable is that these green buses bear a logo that was born in India, the distinctive 'T' of Tata.

In Saudi Arabia, schoolgirls travel to schools in Tata buses that are pink on the outside and loaded with a complete range of safety features on the inside.

In Delhi, senior citizens wait for the Tata buses of the Delhi Transport Corporation because they gently 'kneel' at their stop

and have a low floor height that makes it easier to step inside.

In the villages outside Pune, workers heading for factories and offices in that highly industrialised city, climb aboard small Tata vans that have made the daily commute to work far more comfortable.

EASY MOVES

All of these — luxury coaches, buses and vans — are part of the wide range of public transport offerings that now roll off assembly lines across the world, making India-born Tata Motors the world's third largest bus manufacturer.

The last few years have seen the Tata Motors public transport portfolio grow vastly in range

— from the 54-seat buses and luxury coaches to the small seven-seater vans that cater to the feeder segment. The star of the show is the Tata Starbus, a mid-range bus that comes in a variety of offerings customised for schools, private fleet operators, urban transport needs, etc. The latest addition to the stable is the Tata Divo, a luxury coach with European styling and design on a module made for Indian roads. On the other end of the spectrum are Magic and Winger, small vans that carry less than a dozen passengers, but have proved so popular that Tata Motors sells as many as 6,000 every month.

MASS MOMENTUM

The company's focus on public transport solutions mirrors the country's growing need in this segment, says PM Telang, managing director, India operations, Tata Motors, going on to explain that India's high rates of urbanisation and migration have led to an increased need for mobility as the working population travels to urban job centres. Additionally, the government's focus on developing road infrastructure and expanding access to small towns and villages will make it easier for people to be on the move, and further raise the demand for public transport.

"The need of the hour is for viable, fuel-efficient and affordable public transport solutions," he says. "Historically, Tata Motors has been providing buses for decades. But now we feel that the country needs more efficient public transport options, such as bus rapid transit systems (BRTS), which can be established at a fraction of the cost of railway systems. Such systems

have already proved viable in Latin America. What we need in India is the political will to make it happen. Tata Motors is trying to work with municipalities and cities across the nation to create such systems."

Ahmedabad offers a successful example of the BRTS at work; the city has a 50-km dedicated road network for its buses and plans to double this in the future. Tata Motors has supplied about 90 per cent of the buses running

on the city's BRTS network. According to Ravi Pisharody, president of the Tata Motors Commercial Vehicle Business Unit, "One clear advantage of the BRTS is that passengers benefit from shorter travel times. In fact, the average speed of a bus on the dedicated road in Ahmedabad is as high as 33km per hour, compared to 15km per hour of public transport buses in other cities. There's also been a visible shift of people from ▶▶

World traveller

For years, Tata Motors shipped hundreds of bus chassis units overseas. But today the picture has changed — nearly 70 per cent of exports are full-body vehicles (FBVs), with another 15 per cent being shipped as CKD (completely knocked down) kits for assembly overseas. Tata Motors buses from India are going to Africa (South Africa, Senegal, Ivory Coast, Congo, Nigeria, Ghana, Sudan and Mozambique), South Asia (Sri Lanka, Bangladesh and Nepal), West Asia (Saudi Arabia, UAE, Qatar and Kuwait) and Central Asia (Ukraine). This is in addition to the Tata Hispano buses that are exported to Greece, England, Ireland, Cyprus and Italy.

In Ukraine, Tata Motors has a 65-per cent market share in the LCV bus segment. Senegal has ordered 800 buses to add to an earlier order of 500 buses. Saudi Arabia took 1,100 Tata Motors buses for its 'educate the girl child' school programme. These are but some of the successes that Tata Motors has had in recent times in international markets.

Says RT Wasan, head, Commercial Vehicle Business Unit, international business, Tata Motors: "We are working with government and state transport organisations to offer complete mass transport solutions. With our range of buses, we are in a position to offer end-to-end solutions for public transport, from high-end intra-city to inter-city transport to the small-van options for the average commuter as well as schoolchildren and executive travel."



The Tata Motors buses: Catering to a wide spectrum of public transport needs

two- and three-wheelers to public transport along BRTS routes.”

In order to meet the expected surge in demand, Tata Motors has made strategic moves to shore up its product portfolio. In 2005, the company bought a stake in Spain’s coach-and-body builder Hispano Carrocera and then acquired the rest of the shareholding, making the European company a wholly-owned subsidiary (now named Tata Hispano) in 2009. In 2006, it set up a joint venture with Brazil’s coach manufacturer Marcopolo. “The alliances with Hispano and Marcopolo have meant that Tata Motors can leverage the latest automotive technologies, trends

and designs, and offer a complete range of solutions,” says Mr Telang.

Although buses have been a part of the Tata Motors product range for decades, the company used to mainly supply only the chassis. Today the company focus has shifted to offering full-body vehicles (FBVs) that make up 80 per cent of the over 33,000 buses it sells every year in India alone. These buses (including the ‘Starbus’, ‘CityRide’ and ‘Divo’ brands) come off manufacturing lines at the Tata Marcopolo plant in Dharwad (Karnataka), the Tata Motors Lucknow plant (in Uttar Pradesh) and the joint venture Automotive Corporation of Goa (ACGL) plant

in Goa. The new Dharwad plant, which went on stream in 2009, has already increased capacity to 1,500 units per month.

KING OF THE ROAD

The spotlight on buses has had some huge benefits for the company. First, it’s meant a much higher brand visibility. Says Mr Telang, “Our brand is now highly visible on roads; we are impacting the lives of the daily travelling public.”

Tata Motors is a leading provider of buses in India accounting for nearly half of the market share. Out of the 84,000 buses sold annually in the country, around 41,000 bear the Tata Motors logo. Most of these

are concentrated on city roads. In Delhi alone, there are nearly 2,500 Tata buses on the road. By a company estimate, of the one million buses on Indian roads, as many as 450,000 are from Tata Motors.

And, as a direct result of government programmes such as the Jawaharlal Nehru National Urban Renewal Mission and the Pradhan Mantri Gram Sadak Yojana (a rural road development initiative), the demand for buses is expected to rise steadily — which would be a major benefit to Tata Motors.

STEADY SPEEDS

Unlike the nursery rhyme that goes ‘The wheels of the bus go round and round’, the bus segment is not a cyclical market, which makes it a significant vector of growth during economic downturns that dramatically impact other automotive segments such as trucks and cars.

Back in 2000-01, when Tata Motors found itself facing an unprecedented loss of ₹5 billion after sales plunged steeply, one of the key lessons was that bolstering segments such as buses would help maintain a steady growth curve. “The bus segment is more stable; in India it grows at rates that vary from 14 to 18 per cent from year to year,” explains Ashish Tandon, head of marketing for buses at Tata Motors.

Today, the company consciously focuses its marketing efforts on wooing state transport undertakings, municipal authorities and private fleet operators.

At the same time, the company also faces stiff competition from domestic players (Ashok Leyland, Mahindra Navistar, Eicher, Force Motors, Swaraj Mazda, etc) as well as MNCs (Daimler Benz, Volvo,



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PM Telang, managing director, India operations, Tata Motors

and the ubiquitous Chinese brands). Volvo’s entry into India with its articulated and top-end buses was a flanking attack that Tata Motors is trying to counter by producing its own range of multi-axle buses. The range of city buses is also being upgraded to offer better features such as GPS, telematics, air suspension, mobile and laptop chargers.

GREEN VEHICLES

Among the new offerings are ‘green’ buses — CNG-hybrid and diesel-hybrid buses that offer lower emissions and higher fuel savings.

This initiative received a big boost when Spain’s Tata Hispano won an order for 50 CNG-hybrid buses from the city of Madrid, to be delivered in 2012; the chassis for some of these high-tech vehicles are being supplied from India. MV Raja Rao, Tata Hispano chief executive officer, expounds, “The Tata Hispano hybrid solution offers lower greenhouse gas emissions, 30 per cent fuel savings, lower noise levels inside and outside the bus, along with versatile energy management strategies that can be customised to specific requirements, depending on the route and operations.”

Tata Hispano has also supplied a diesel hybrid bus as a pilot project to the city of Zaragoza in Spain, receiving much appreciation from passengers for its smooth acceleration and low interior noise.

The future of public transport

buses is definitely on the ‘green’ route; however, these buses come at a price tag of ₹10 million or more and have few takers in developing countries. “In India, we’ll need to explore financing solutions for these ‘green’ buses, maybe a tripartite arrangement where the buses can be part-subsidised by funding agencies,” says Mr Telang.

In the meantime, Tata Motors has shored up its product portfolio to cater to the entire spectrum of public transport needs — from luxury and inter-city transport to last-mile feeder vans. Buses account for about 10 per cent of the company’s commercial vehicle output by numbers but as much as 15-20 per cent by value; this excludes the 70,000-plus Magic and Winger vans sold (by definition, buses are vehicles with a minimum of 12 seats).

The company also has the advantage of leveraging its huge commercial vehicle service network, with centres at over 1,000 locations across the country. With the bus segment becoming a focus area for the automobile giant that also makes passenger cars and heavy-to-small trucks, production numbers are climbing higher every year. Tata Motors is already at par with the world’s leading bus manufacturer. Daimler-Benz can stop looking in the rear view mirror. The Tata Motors bus is cruising alongside. □

— Gayatri Kamath