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## An Indian-Made Motorcycle With a Retro Look Is Coming After Harley

Royal Enfield is betting its stylish, low-cost bikes can win over young Western consumers.



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The sun was only barely up as the group of about 40 bikers roared away from Mumbai, bound for the foothills of the Western Ghats mountain range. On the multilane overpasses leading out of India's business capital, most of the riders formed a convoy, while others, deputized to serve as "pilots," ranged up and down the roadway to ward off interloping motorists. By the time the group hit the vast sprawl of farm fields and light industry in the city's hinterlands, it effectively ruled the road.

Sporting heavy biker jackets, a smattering of aviator sunglasses, a diverse array of beards, and one or two mustaches waxed rakishly upward at the ends, the Mumbai chapter of the Royal Indian Devote's [sic] motorcycle club was out for one of its regular rides. Because this particular expedition took place on Jan. 26–Republic Day, India's equivalent of the Fourth of July–some bikers were flying oversize national flags that flapped violently above the backs of their machines as they accelerated. Children pointed, bicyclists waved, and one man, driving his family in a small sedan, offered up a crisp salute.

The bikers' destination? A juice company's factory store and eatery, well known in Mumbai for its fruit punch, decadent ice cream sundaes, and cocktail liqueurs.





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After briefly refreshing themselves at the restaurant and stocking up on curaçao and grenadine in the adjoining shop, they returned to the city. Few on the ride were blessed with abundant spare time—not with day jobs that included managing risk for a major bank, marketing for an organic food company, and handling IT at the Mumbai stock exchange. On the way back, a member raced ahead and dismounted to record a video for the club's <a href="Instagram account">Instagram account</a>. In classic biker style, one of the riders was wearing a T-shirt with cutoff sleeves. On the chest: the logo of the sitcom *Friends*.

The Devote's differ from typical motorcycle enthusiasts in more than their watering hole and fashion preferences. For one thing, they're young. Almost everyone in the club qualifies as a millennial, whereas the median age of a U.S. rider is 50. The second is that they exclusively ride Royal Enfield bikes. All but unknown in the U.S. and Europe, Enfields—retro rides that would look familiar to 1960s-era Steve McQueen—have become in recent years a coveted lifestyle statement among young, upwardly mobile Indians. As a result, Chennai-based Royal Enfield, which began as the subcontinental unit of a British manufacturer by the same name and kept chugging along when the parent went bankrupt, sold more than 650,000 motorcycles in India last year—a volume equivalent to the entire U.S. market.



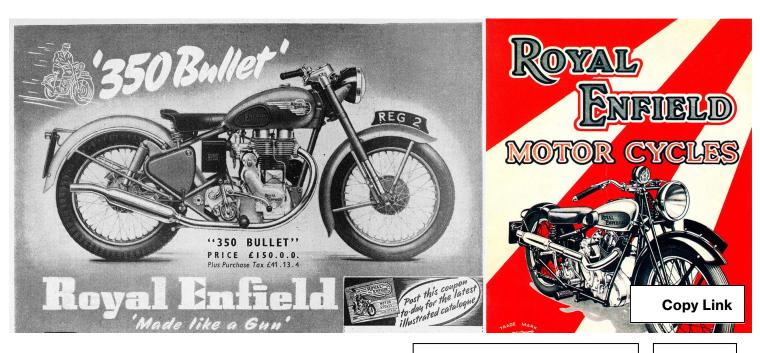
▲ Royal Enfield CEO Siddhartha Lal. PHOTOGRAPHER: IAN GAVAN/GETTY IMAGES EUROPE

Royal Enfield's success in bringing bike culture to India's millennial and Gen Z demographics—collectively, more than half a billion young people—has started to turn heads outside the country. Sales are rising sharply in markets including Brazil and Indonesia, places where bikes have traditionally been viewed as utilitarian transport tools, not expressions of personal style. The company is now making a high-stakes bet on the U.S. and Europe, where producers such as <a href="Harley-Davidson Inc.">Harley-Davidson Inc.</a> and <a href="Indian">Indian</a> <a href="Motorcycle">Motorcycle</a> have been struggling for more than a decade to expand sales as younger consumers choose other hobbies. Siddhartha Lal, the heir to the automotive conglomerate that controls Enfield, says he can win over Western enthusiasts with stylish bikes that cost far less than those made by rivals—and perhaps attract younger riders to revitalize a customer base now dominated by aging boomers.

It's a risky strategy, one that assumes a motorcycle culture emerging from a densely populated South Asian country—where exceeding 50 mph on anything but a few freeways risks a factorial copy Link

even Indian-made ones that start at a little more than a third the price of a Harley. And though it's hard to think of a more socially distanced outdoor activity than group rides, the Devote's, like all other motorcycle clubs in India, have had to suspend theirs since Prime Minister Narendra Modi imposed a nationwide <u>lockdown</u> in late March.

Lal is pushing ahead nevertheless, anticipating that the appeal of riding will only have grown for the millions of Western consumers who spent much of the year stuck at home—especially by comparison with dining out, travel, and other popular pastimes that have proved to be vectors for infection. "I could be great in India and Brazil and Thailand and Africa," he says. "But if I'm not in Europe and America, then I'm not a global brand."



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precision parts for the Royal Small Arms Factory in Enfield, outside London, in 1893. Eight years later the company began attaching small engines to its bicycles—a pivot that got more attention from the British military, which was looking for ways to swiftly move men and messages that didn't involve hooves. The motorcycles Enfield later developed saw service in both World Wars, with one model, the Flying Flea, light and rugged enough to be dropped with paratroopers who could then roar onto the battlefield.

India, newly independent in the years after World War II, was an obvious market for the bikes. In 1952 the nascent Indian Army ordered 500 of Enfield's flagship Bullet model—"Made Like a Gun," went its tagline—to patrol the country's inhospitable borders with China and Pakistan. Three years later the British company joined with Madras Motors, in the southern city now known as Chennai, to form a local unit and factory.

The 1960s may have been the cultural heyday of classic motorcycles, but their commercial performance was a different story. Cheap, reliable Japanese models were beginning to flood the U.S. and European markets, a development that drove several oldline manufacturers out of business. One of them was Royal Enfield, which ceased operations in 1970. The Chennai arm, though, was majority-owned by locals, in line with protectionist laws the Copy Link prevented foreign companies from controlling Indian

Enter Vikram Lal, Siddhartha's father. Eicher Motors Ltd., the Delhi-based truck manufacturer he controls, bought a large stake in Royal Enfield in 1990 and became its majority shareholder three years later, intending to clean up the balance sheet and revive the brand. Siddhartha was in his late teens at the time, studying economics at Delhi's St. Stephen's College, where he was by his own account an indifferent student. He wasn't much more interested in sports or any particular hobbies. Mostly, the younger Lal says, he was "middling" at all of them.

Then, one day not long after Eicher bought the company, a bright-red Enfield appeared in the family garage. Lal describes his adoption of the bike as perhaps the crucial moment in the formation of his identity. Compared with the compact, fiberglass-clad Japanese models popular around town, its engine made a "deep thump" rather than a "tinny purr," he says. He began riding it to school, becoming known around campus as the guy on the Enfield. Friends asked him to take them for rides, and he soon found a group to go on longer trips with, sometimes even up into the Himalayas.

His love for the bike, however, didn't inspire Lal to consider a career at Royal Enfield. After graduating from St. Stephen's he drifted between internships his father had secured—one at the German truckmaker MAN SE, another at Enfield, which even then failed to announce itself as his calling—before going to the

shutting it down. Lal thought that would be a shame. Surprising even himself, he made a suggestion to his father: Why don't I try running it? The Eicher board said yes—Lal might have been aimless, but he was the boss's son—with two conditions: In 12 months, Enfield would have to stop asking for cash from Eicher. And in 24, it needed to at least be breaking even. If it couldn't clear either hurdle, the board would pull the plug.



▲ Royal Enfield's Chennai factory. PHOTOGRAPHER: ARUN SANKAR/GETTY IMAGES

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enthusiast than the millennials who buy Enfield bikes, Lal's look is much closer to that of his customer base. His hair is buzzed modishly close at the sides of his thick pile of curls, and his gray-flecked beard is the optimal density for brewing Brooklyn craft beer. He's also adopted the youthful habit of privilege checking, readily conceding that he got the job running Enfield because of his dad. "All of this was entirely and only because I was the promoter's son," he said, using an Indian term to refer to an owner-operator. "A random bloke at 27 wouldn't have got this job."

During our interview, he presented the road map he followed to revive the company as simple common sense. Shortly after taking over he set out on a series of long-range rides around India, visiting dealers and chatting with customers. One of the key problems, he said, was obvious: The company had made a habit of offering its bikes at a discount, partly to increase orders at a brand-new factory it had built in western India. Rather than inducing a flood of sales, Lal discovered, the strategy had mostly made loyal customers reluctant to pay full price. So he signed a letter to every Enfield dealer instructing them to tell customers that, for the next year, there would be no discounts.

Sales dropped for the first month, but after that they started climbing, surpassing their old volumes and underpinning a turnaround that took care of more than half of Lal's negative coch flow problem. He then set about plugging all the holes whe

crankcase's two pieces, and the engine-seizing issue by tailoring pistons exactly to the cylinder block.

He also bought specially fitted trucks so the company no longer needed to secure bikes with cloth and hay before sending them off on India's juddering highways, reducing the amount of damaged inventory arriving at dealerships. And when a dealer refused to renovate his dingy store, Lal opened one himself across town. This new strategy succeeded in curbing losses, satisfying the Eicher board's conditions for keeping Royal Enfield alive—and so improved Lal's standing that he became chief executive officer of the broader company in 2006. None of these changes solved the fundamental problem, though: Lal just wasn't selling enough bikes.

Juicing sales would require new models. Lal decided to start with an overhaul of the fabled Bullet. Its basic design was little changed from the two-wheelers that had carried Indian border guards through the Himalayas in the 1950s, including a clunky castiron engine. Updating the motor and electronics while retaining the look and feel of the original would be a challenge, not least where sound was concerned. Modern aluminum engines, Lal was disappointed to learn, couldn't replicate the roar he'd fallen in love with as a young man.

It took two years of design work, including a lot of noise tocting Copy Link for the company's engineers to find a compromise. By mak

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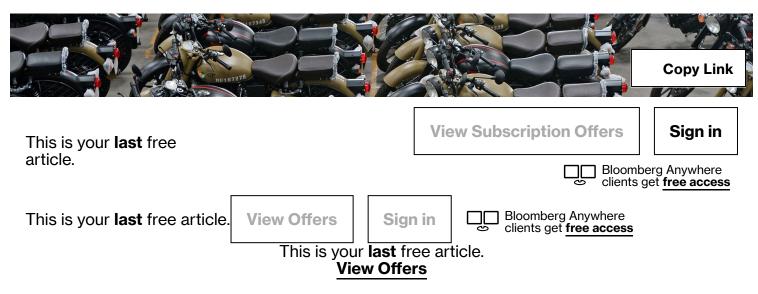
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But the new model would also be affordable, retailing for less than \$2,000 in India.

The cost of improving Enfield's products left little cash for marketing, and in the early days Lal promoted the bikes mostly by riding them. The company began organizing trips into the Himalayas or from Mumbai to Goa for customers, hoping they would become evangelists for their new wheels. It helped that India, which escaped the worst of the global financial crisis, was booming. Per capita gross domestic product expanded fivefold from 1998 to 2018, giving millions of young consumers money to burn for the first time.

The new Bullet, plus a model called the Classic that leaned even harder into the 60s aesthetic, went on the market in 2009, catching the middle of this long financial tailwind. That year, Royal Enfield sold about 52,000 motorcycles. In 2012 it was moving more than 100,000, overwhelmingly in India, a number that had almost tripled by 2014—representing more than enough revenue to finance other upgrades to the product line. In its last financial year before the pandemic struck, the company sold about 824,000 bikes globally. Harley, by contrast, shipped about 218,000.





▲ A factory worker checks a finished motorcycle. PHOTOGRAPHER: ARUN SANKAR/GETTY IMAGES

In a room the size of an aircraft hangar, under a flood of tropical sunlight from wide apertures set in a high corrugated-steel roof, two motorcycle assembly lines emitted dissonant symphonies of clanks, buzzes, and shudders. At the start of the process, a worker placed a bare frame, remarkably similar to that of a bicycle, on the conveyor before the assembly lurched forward. At one stop, technicians swung a heavy engine into place; at another, wiring was woven through the frame and left hanging, its ends still unattached. Then wheels were rolled in and secured with a quick buzz from a torque wrench. A few stops later, a worker fitted a fuel tank in front of where the rider would eventually sit. Near the end, two more people screwed in the mirrors by hand.

Royal Enfield's Chennai factory was producing something new.

Motorcycle engines' power is measured in ccs—the total fuel

capacity of their cylinders, expressed in cubic centimeters.

Copy Link

in the mold of the "cafe racers" popular in the U.K. in the '60s. It and another new model, the Interceptor, come in at 650 ccs, comparable to midrange offerings from Harley and Indian but selling for far less: about \$6,000 in the U.S., where they were introduced in 2018, vs. roughly \$15,000 for a basic Harley cruiser.

Both Royal Enfield models have been well received in overseas markets, making best-of lists in the motorcycle press and winning a positive review from none other than Jay Leno, the retired latenight host who now spends much of his time reviewing bikes on YouTube. "You know, I think I like this bike. ... [The] engine is very balanced, very smooth," he said as he rode a Continental around Los Angeles in one video. The two models helped Royal Enfield increase export sales 96% in the 12 months to March, to almost 39,000 bikes.

Those numbers are a small fraction of what Lal says Royal Enfield should be selling. Last year the company doubled the size of one of its three factories, bringing overall production capacity to 1.2 million motorcycles a year. After closing their doors for over a month during India's coronavirus lockdown, the facilities are up and running again, though at only about half their usual output. In Chennai a whole hangar sits unused next to a Continental line, waiting to be called into service—so empty you can hear shoes squeak on the floor.

Getting Western consumers to buy more Continentals at Sign in

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squeeze into it. Call up directions on Google Maps in Mumbai, and you'll get separate ETAs for cars and bikes, the latter being invariably quicker.

The upshot is that for many Indians—including bike club members, who tend to commute on their machines—a retro motorcycle is an upgrade of a daily necessity, not a hobbyist's luxury. And in developed markets, the hobby is moribund. Motorcycle sales peaked in the U.S. in 2006 and have been essentially unchanged since the financial crisis, with an ever-larger proportion of buyers in their 50s or older. Millennials, meanwhile, are <a href="cash-poor">cash-poor</a>, clustered in <a href="dense cities">dense cities</a>, and, at least until the pandemic struck, likelier to enthuse about brunch than bikes. There's also the fossil fuel factor. Unnecessary gasoline consumption doesn't hold the appeal it once did, a realization that prompted Harley-Davidson to release its first electric hog, the LiveWire, last year. (It <a href="flopped">flopped</a>, badly. Royal Enfield says it has no concrete plans for its own battery-powered ride.)

Lal wants to be as big a player in the West as possible, but he argues that Royal Enfield doesn't necessarily have to sell that many bikes in developed countries for the strategy to be considered a success. What it does need to do is move enough to give them a patina of cool at home and in other emerging markets, such as Southeast Asia. Although it may sound counterintuitive, "the LLS Copy Link and Europe are very important" to making Enfield the aspi

<u>record</u> for its bike class—and compelling footage for YouTube. (She hit 157 mph on Utah's Bonneville Salt Flats.)

As many reviewers have noted, to the extent anyone is adopting motorcycling as a pastime, Royal Enfield offers an affordable entry point. Still, Lal concedes that building a large community of overseas admirers from scratch will be difficult. "I don't think you can engineer a cult following," he says.

In India, at least, Royal Enfield already enjoys one, and then some. There are plenty of clubs dedicated to other brands, but Enfield-centric groups are the most numerous by far. Some of them are impressively organized. The Devote's chapter in Mumbai has more than 150 members, with teams for social media, content creation, and ride planning. New joiners are welcomed with open arms, commemorative buttons, and, in the case of the juice factory ride, a rousing call-and-response chant based on the war cry of Shivaji, a 17th century Maratha king. That outing was one of the last for the Devote's before the lockdown, which included strict controls on long-distance travel. But club members did their best to stay connected virtually, holding periodic videoconferences and trading tips on maintaining their Enfields while riding was restricted.

Whereas Harley maintains official Harley Owners Group chapters in cities around the world, the Devote's and other Copy Link have no formal connection to Royal Enfield. But the benefit

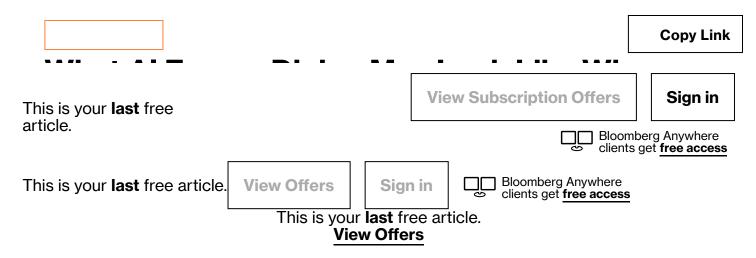
## his chest. "You get that royal feeling."

## Read next: How Mumbai's Largest Slum Stopped Coronavirus



Propane heaters are set up next to outdoor tables at Antique Garage Soho in New York City. The city released guidelines on how and where restaurants can use propane heaters, in preparation for a winter when more people may be dining outside.

Photographer: Alexi Rosenfeld/Getty Images



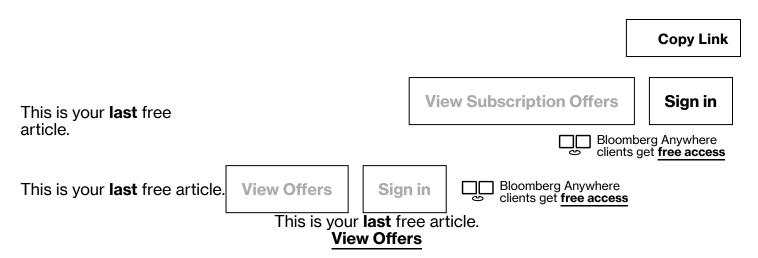
## winter sidewalks. But costly heaters aren't the only or best option for many restaurants.

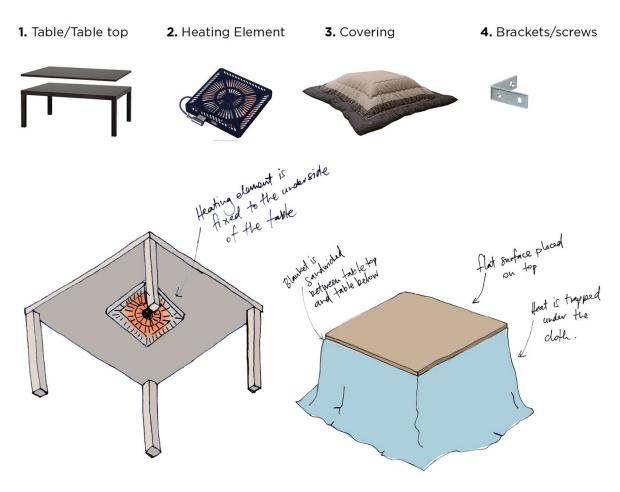
By <u>Linda Poon</u> 21 October 2020, 02:06 GMT+8

On Oct. 8, as Illinois recorded what was then the highest count of newly confirmed Covid cases since May, Chicago announced the winners of a month-long design challenge that fielded hundreds of winter dining solutions from around the world. The winning submissions include a pop-up cabin inspired by ice-fishing huts, a movable heated booth just big enough to fill a parking space and a heated table inspired by a kind of traditional Japanese furniture known as kotatsu.

According to a city press release, the Illinois Restaurant Association plans to work with local construction firms to create prototypes of each idea, and then test them at neighborhood establishments "in the coming weeks." Yet with winter fast approaching, it's a race against the clock – and restaurants are already running out of time.

"Maybe it's one that will have some legs when the pandemic is over," says Pat Doerr about the kotatsu-inspired entry. "It's just that right now, with a month at most until things get real cold, it looks like it's a little bit of a challenge." Doerr is the managing director of the Hospitality Business Association of Chicago, whose members include some 200 small businesses.





One winning idea features a heated table with a blanket attached, inspired by a popular Japanese furniture called kotatsu.

Ellie Henderson/Courtesy of OpenIDEO

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Over the summer, <u>al fresco dining</u> became an economic lifeline for restaurants and bars that were struggling to stay afloat and were able to claim some outdoor space. Now, with temperatures dropping in some parts of the world and indoor dining likely to remain limited or even prohibited as the pandemic rages on, businesses are scrambling to find ways to prolong outdoor service for as much of the fall and winter seasons as possible.

The go-to solution for many so far is to install outdoor heaters, which can cost between \$150 and \$1,500 each. Already in some neighborhoods, armies of mushroom-shaped heat lamps line-sidewalks and streets, hinting at what could become an iconic Covid winter scene. Several cities have also eased outdoor heating restrictions, waived permit fees and provided grants to help businesses cover some of the costs. Meanwhile the recent rush to buy heaters has led to a surge of demand and a shortage of supply in several major U.S. cities, including New York City and Washington, D.C. Fire pits are in high demand, too, though they're not allowed in some cities like Baltimore and Philadelphia. And even in places where fire pits aren't prohibited, they demand more space, which some businesses simply do not have.

In Chicago, Tracy Hurst said it took her three tries to finally purchase 10 heat lamps for the outdoor patio of the Metropolitan Brewery. But she isn't sure if they will be enough to keep patrons coming when the weather turns frigid. "No one has been through this situation so, honestly, we just react to everything, day by day, the best that we can," she says, adding that she's counting in part on customer loyalty.

The scramble to winterize outdoor dining points to a larger urban planning problem: Many cities just weren't designed for the winter to be spent outdoors. And now in the midst of a pandemic, the hospitality industry is forced to reckon with the consequences. Not only are local economies threatened, but so are the livelihoods of restaurants.

"It's not always a bright sunny day in July, and when we think about planning for weathers we can actually design cities that are more enjoyable," says Mark Bennett, and

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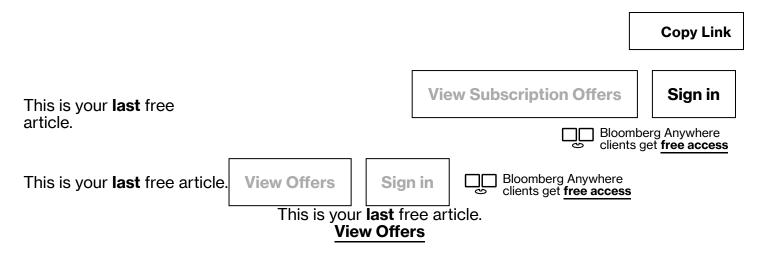
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Nearly three-quarters of cafes and restaurants in Paris, for example, have some sort of heated terrace, according to estimates by trade groups.

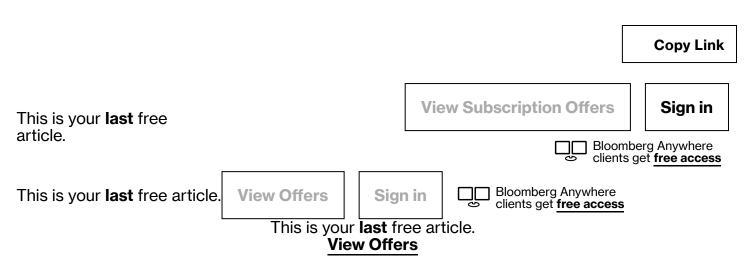


But relying on artificial heating alone won't be enough. It's a costly solution that not all businesses can afford, especially at a time when sales have already taken a dramatic hit because of Covid-19 restrictions. It's also not entirely climate-friendly. The environmental think tank Negawatt estimates that having four propane heaters running 14 hours a day during winter months can emit 13.6 tons of carbon dioxide, the equivalent of driving a car around the globe three times. While the impact may not compare to other greenhouse gas emitters like car traffic, it's not insignificant.

This July, the French government became the latest in Europe to <u>announce a ban</u> on all outdoor heaters, as part of a national push to curb energy consumption. Several cities in Germany have already banned their use and, in 2008, the European Union considered the move as well. France, however, has agreed that the ban would not go into effect until the end of 2021 to help restaurants make it through this winter during the pandemic, while in Germany, restaurant and bar owners are <u>pushing local governments</u> to reverse the restrictions – at least for the coming months.

The good news, says Bennett, is that there are other low-hanging fruit techniques that don't involve polluting and expensive technologies like heaters. In fact, when Bennett outlined his four guiding design principles to making an outdoor winter enjoyable, heating didn't make the list.

The other principles involve reintroducing elements that are lacking during the winter season: light, color and what Bennett calls shelter. "We've been sort of conditioned over thousands of years to really not enjoy feeling exposed," he says. "When the leaves are gone for instance, we suddenly get a very exposing feeling, so there are a lot of creative way to bring some of that shelter back." That can be anything from setting up tents or overhangs to more ambitious ideas like building plastic igloos and yurts for each table, as well as the winning cabin idea from Chicago's challenge.



At the same time, Bennett also foresees safety challenges that will take more than the ingenuity of individual business owners to solve, and that will require cities to plan ahead. Before it snows, for example, cities will need to adapt a snow removal plan that doesn't just pile slush onto sidewalks and curbs, which not only disrupts open street programs but remains a hazard for pedestrians and those with disabilities.

"The real difficulty for Chicago, New York and other cities along that latitude is actually designing not for this mythical winter wonderland, but for this low 30-degree slushy environment," he says. "Waiters and waitresses are stepping into the street, and now we have to think about how to transition people from the sidewalk into the street because those gutters are going to be full of slush."

At the Silver Spring Brewing Company in Maryland, owner Christian Layke has seen boosts in online orders for delivery and pick-up, and in wholesale orders to local liquor stores this year, but says taproom sales still make up for the largest share of his business. So he intends to keep people coming to the outdoor patio that his landlord has allowed him to set up. He agrees with Bennett, though, that the typical heaters won't do much to keep his customers warm. The patio is nestled between two towering buildings, which creates a wind tunnel effect.

So instead, he's considering investing in large tents with walls that can be adjusted to go up and down and special-made blankets. He's also planning to add propane-powered **Copy Link** but he says those are more for ambience than for keeping customers warm. "I don't tnink **View Subscription Offers** Sign in This is your **last** free article. Bloomberg Anywhere clients get free access Bloomberg Anywhere clients get free access This is your **last** free article. **View Offers** Sign in This is your **last** free article. View Offers

doing it," he says. "If it doesn't stick, then we'll try something else. That's how we're approaching winter."

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