

The Ambassador once again gets a makeover, with a smaller, cheaper variant out by the end of this year, and a whole new model in 2014

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The dowdy dowager is, at long last, poised for a makeover. After decades of monopolising Indian roads, the Ambassador, which finally had to give way to snazzier automobiles with better engines and much better features, is once again trying to find its feet in India's crowded auto market. By the end of this year, Hindustan Motors (HM) will launch a shorter version of the car with a host of new features, and in a year's time a new-look car will roll out of the company's Uttarpara plant in West Bengal, too.

Uttam Bose, the new CEO of the CK Birla group's Hindustan Motors, is confident that the sub-4 metre variant of the Ambassador that will roll off the Uttarpara assembly line by the end of this year will be a commercial success. Bose told TOI-Crest that the car will look more or less like the existing Ambassador. "The boot space will be reduced but the cabin space will remain the same. The length of the car will thus be shorter and since it will be less than four metres, it will attract lower excise duty and will thus be cheaper," he said. As for the new model that will be launched in March next year, Bose is understandably reluctant to divulge much. All he says is: "The new model will be on the existing platform, but will

# New wine in old bottle



**SECOND CHANCES:** The new model is targeted at customers in rural and semi-urban areas

have many new and advanced features that exist in other automobiles. It will have some prefix or suffix to the Ambassador brand and will sport a peppy and youthful look. It will also have new features sought by young and modern customers and will be competitively priced, offering ideal value for money." Senior executives of the company who did not wish to be named told TOI-Crest that the new model will not look drastically different from the existing car. "Only some external features have been tweaked, but the engine will be a

superior one," said one.

In fact, things have already started looking up for the 71-year-old Hindustan Motors. The sales figures for February and March were 544 and 631 respectively against 159 and 418 during the same months last year. The order bank for the next few months is very good, says the company. The figures would have been higher had the company been able to introduce the BS-IV compliant engine for its diesel-powered models. "We couldn't find a suitable technology partner and, thus, couldn't sell in major markets," says Bose. But that hurdle has been crossed and after

a tie-up with the Austria-based Magna, a well-known automotive technology firm, the BS-IV variant will be on the road by next month.

Bose, who was Group CEO with Hero Motors before moving to HM last year, has planned an elaborate strategy to turn the company around. "We decided to focus on customer feedback and sent our sales teams across the country to meet existing and potential customers and also other stakeholders like dealers, vendors, suppliers and bankers. We discovered that though the Ambassador had lost some of its sheen, it still commands tremendous brand loyalty. We decided to leverage this advantage," says Bose.

"To a person in rural or semi-urban India, the Ambassador is a 'VIP' car. He has seen politicians and bureaucrats travelling in the car and so it is an aspirational car for him. We have reached out to such potential customers in the rural and semi-urban areas and have found a new market there. The urban market is saturated," said another senior executive.

The ambassador's USP, says Bose, is its "formidable brand equity, low cost of ownership,

easy and cost-effective maintenance, robust and sturdy build, unmatched cabin space and boot volume and perfect suitability for Indian roads". The company's turnaround strategy includes expanding its dealer network, offering improved financing options through tie-ups with banks and financial institutions and improving after-sales service". Bose's task hasn't been an easy one. "I need to get involved in vigorous hand-holding with even many senior managers for whom the new system of frequent goal settings and appraisals may be a new ball game. Accountability is not something that people usually welcome," he admits frankly. He added that "negativity abounded and it took quite some time to make stakeholders like dealers, suppliers, vendors and bankers regain faith in us".

HM is also drawing hope from the fact that orders for the model have been received from Nigeria and Bangladesh. Exports to Nigeria started this month and the first lot of Ambassadors is expected to be shipped to Bangladesh next month. "This is just the beginning and we have a long way to go," says Bose optimistically.

Industry watchers, however, are not as optimistic. Earlier attempts by HM to launch new models have come a cropper. They say that unless the design, which is based on the 1956 Morris Oxford Series III (which in turn traces its design to the 1948 Oxford), and engine of the car are changed drastically to meet modern-day aspirations and standards, there's little hope for the car that depends overwhelmingly on the taxi market, mostly in West Bengal, to drive sales. ■

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