

# Rane Group's continued thrust on aftermarket



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At Rane, customer delight through total quality continues to be at the core of its business philosophy. As part of this, customer after-sales service is an integral part of Rane's responsibility to both the OEM and the end customer. Hence, in the past few years, the Rane Group companies have focused on continuously improving its service levels to the aftermarket and ensuring that spares are available to the end customer, thus bringing down the vehicle off-road time.

Thanks to the booming Indian automobile market, there has been

significant growth in the vehicle parc which has in turn continuously increased the demand for spareparts. According to analysts, the parts market is expected to grow from the current estimated \$5.5 billion to about \$9 billion by 2015.

While the increasing demand augurs well from the business opportunity angle, it also brings with it challenges that need to be addressed.

Conventionally, till recently, supplies to the OEM line used to have the highest priority while servicing the spares market used to take the next priority level. This encouraged the existence as well as growth of more and more unorganized suppliers of spurious parts in the aftermarket. It is the moral responsibility on the part of the OEM supply base to ensure that the end customers get only quality parts from the organized sector for replacement, and hence a change in approach was warranted.

Through all these years of interactions, it has been quite clear that the aftermarket customers are quite sensitive and the 'brand' plays an important role. Rane focuses on ensuring 'brand protection' through consistent quality and delivery, reasonable cost (not necessarily the lowest cost) and build trust and relationship.

For the past three-four years, Rane has moved from according





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second priority to spareparts supplies to equal importance to OEM supplies, with linearity spread across the month week-wise. More importantly, the parts are produced in the same production line with the same quality and processes that are followed for OEM supplies.

Typically, in the Indian parts market landscape, the OEMs tend to focus on the spareparts distribution through their own authorized dealerships, especially for the new cars and commercial vehicles. This is purely from the point of the warranty clauses that are extended to customers during sales of vehicles which become void if non-OEM spareparts are used during vehicle repairs. However, once the warranty period is crossed, customers are free to approach other parts dealers also for replacement.

The Indian supply base today

caters to the spareparts demand through both the channels, namely, the OEM spareparts channel and their own independent aftermarket channel. Although OEMs prefer supply of spares through their own channels, suppliers prefer to do through both the channels in their own interest and in the interest of OEMs. This is because the combined channels ensure phenomenal geographical spread of dealerships and parts availability. This will ensure that the spurious parts don't get replaced into the vehicles during repair.

Recently, research done by Rane also shows a changing trend in the parts distribution market. Predictions are that more multi-vehicle/brand servicing units would play a crucial part in the future along with the existing channels. Such continuous changes to parts distribution

landscape is necessitated by the demand as well as the need to reduce the use of spurious parts in vehicles.

It is also a myth to think that the aftermarket customers are cost conscious. Actually they are 'value' conscious. Hence it becomes imperative to understand this customer thinking and accordingly respond to the market. There is a need to be open to 'unique' requirements of aftermarket customers like, for example, requirement of special coatings, etc., and offer the same to them.

At Rane, this important focus area ensures that end customers are given the complete satisfaction of having access to original spareparts at affordable costs allowing them to have peace of mind and not worry about the quality of the replacement parts that have been used on their vehicles.

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