

Catching up with Triumph.

A brief history of the 'Street Single'

A baby Triumph is something that has long been missing from their range of models and it is a machine that is eagerly anticipated amongst enthusiasts of the marquee, but what are the chances of us actually seeing one over here in Europe or even America? This is not a simple question to ask nowadays as the variables involved in deciding whether to address a particular niche in the market are far more involved than in days of yore when the gut feeling of one or two members of higher management directed the company's endeavours. Today, the management of any successful company is expected to pay attention to such boring necessities as market research, focus groups, customer response, media feedback and all the other accretions of a sales strategy and here lies a major distinction between what Triumph are doing now and what they will be attempting by introducing a much smaller machine.

Rumours of the development of a 300 – 350cc single cylinder model have been around for quite some time now with the first report being published in the Brazilian magazine 'Motociclismo' who had been led to believe that the model would be manufactured in Thailand and assembled in Brazil. The press had something of field day at the time, early 2011, in repeating the story that a design for such a bike is well advanced and will be an important part of the company's expansion plans into presently untapped markets. These potential opportunities lie outside what we quaintly call 'the developed west' in which, for the sake of argument, I include Japan and Australasia etc. Promoting the Triumph range as luxury items in the less advanced parts of the world is one thing, they will be niche products which don't call upon any great numbers to be sold to turn a profit but a smaller bike for the mass market is a game changer and will require a completely different approach.

To understand why this might not be the breeze for Triumph (or any other company in a similar situation) that we often assume we need to note several transformations to the world's economy and industries that have occurred since 1956 when the last Triumph Cub was introduced. First of all the manufacture of motorbikes is no longer the preserve of developed countries. Engineering know how and experience has spread far beyond the west and with many European, American and Japanese companies now producing their products away from home the skills, knowledge and experience required are available far more readily. China is well known to be the world's largest motorcycle producer but India, Brazil and even Vietnam are also important players. In the case of the latter they are building over 2,000,000 units per annum, Triumph have only just broken the 50,000 barrier. Triumph produce, in the eyes of the developing world, a luxury item that is sold in small but profitable numbers, by making a smaller capacity machine with just the one piston they are entering a new and much larger pond where the fish are bigger and quicker, if not so pretty.

Attempts to place a smaller and cheaper product of a well known luxury brand in to the market are not unknown and the classic automotive example is

Mercedes with their A class of 1997. This is a model that has been revamped several times as the company struggles to fit in to the mainstream and is a relevant example of the difficulties that Triumph may face. Logically it makes a lot of sense, a small car for those who desire and can afford the quality of Mercedes but do not want the truck like dimensions of their standard range. They have sold around 1.6 million in 14 years of production, Mercedes sell around 1.3 m cars world wide annually. However, the latest version does appear to be gaining ground in the new markets now that it has grown larger and more MB like, it has taken a decade and a half to reach this point, to realise that brand is often synonymous with a car type as well as a level of quality and doubtless this will not have escaped the attention of Hinckley. For Triumph to produce a basic machine and introduce it into an arena stuffed full of similar machines that already have a strong presence may be a mistake, better perhaps to create something that is a step down from the Bonneville rather than a step up from an Easy Rider.

It is often held that producing a bike for less developed countries will allow Triumph to bring it back home and sell it as a cheap runabout or entry level bike, which does sound quite sensible until we look at how that market is being shaped by EU legislation and in particular the new licensing laws of this January. In a nutshell there will be an A1 and an A2 licence. The first will allow for bikes up to 20hp (depending on their weight) whilst the later allows 47 hp, again with a weight stipulation. A 350cc machine designed for India or South America is likely to produce 30 – 35hp which is too big for the lower licence and may well prove irrelevant in the higher category. Kawasaki and Honda are poised to take advantage of this change with new machines but Triumph presently has no reply other than the restricting of the Bonneville, a model that sells mainly to born again and/or mature riders. As good a bike as the Bonni may be it will struggle to compete against the latest Ninjas for the heart of a 19 year old and it is here, at the start of a biking career where brand loyalty is established that the company has nothing to offer at the moment. It may well turn out that the much mooted 350 'Street' is not the answer either although if a lighter 250cc version to rival Honda's CBR250 were to emerge then it might have potential. However, should this turn out to be the case then it still leaves a gap in the progression from beginner to fully fledged biker at the A2 stage.

The other great unknown, to the public at least, are the plans that Triumph have for overseas production. Thailand is obviously proving a success and one imagines that it will continue to be a centre of assembly for the foreseeable future and the word assembly is used advisedly for it would appear that certain components are made outside of either Britain or Thailand. Motorcycle News reported seeing Bonneville clocks on a stand at a Chinese trade show recently which leads to the question of what else is sourced from there?

As happy with the success of its Thailand operation as the company may be there is no doubt that they are still looking elsewhere. An investment of £5.5m has been made in Brazil which has allowed for the construction of a plant to make up bikes from completely knocked down kits (CKD). The models being assembled at Manaus are the Bonneville, Street Triple and Tiger 800XC.

Alongside these assembly facilities a dealer network has been established to take advantage of the 16% rise in sales of premium bikes in that country. Will this plant be expanded to produce the new 350cc bike? It's an interesting question given that the demand for sub 500cc machines in Brazil has dropped by 15% during the same period. Whatever the outcome it is undeniable that the creation of a workforce familiar with assembling Triumphs will be a tremendous asset should they decide to go ahead with a smaller model.

At first glance Manaus appears an odd choice to locate a manufacturing plant. It is situated in the heart of the Amazon basin and is 900 miles from the ocean. The area around the city is rainforest with the main centres of population being down the east coast with poor logistical connections between the two areas. It was a city built upon the rubber trade when Brazil still had a monopoly on the product but once the seeds were smuggled out its influence waned. However, back in the Fifties it was declared a free trade zone with very attractive tax breaks on offer and so it has grown since. Its port is open to ocean going ships and it insists that companies doing business there implement training and welfare policies to benefit their employees and the region as a whole. The Chinese are once again conspicuous by their presence with trade between the two countries now standing at \$56bn and they are to use the city as a final assembly area for their products. It is estimated that 60% of the manufacturing in the zone is related to either electronics or motorcycles with big names such as Harley Davidson, Honda and Ducati also having a presence. A less well known name is China Jialing Industrial who in 2008 opened a factory capable of assembling and distributing up to 100,000 bikes a year from components produced in China. Presently they do not produce anything larger than a 125cc which they sell under the Mot Traxx label but that may well change as Chinese manufacturers generally start thinking about larger machines. A motorcycle of around 350cc may seem to slot in here but again nothing was mentioned by either Paul Stroud, Global Marketing Director of Triumph, or Marcelo Silva, the newly appointed general manager of Triumph Brazil at a launch in November.

Presently it would seem that the Brazilian operation is working well and the team that the company has put together would appear to have the type of positive outlook that bodes well for the future. It is also heartening to learn that the CKD's for the Tiger 800 XC originate in the UK although those for the Bonneville and Street Triple are shipped in from Thailand.

India is the other location where Triumph has been trying to establish a manufacturing facility but here they have, by all accounts, entered a vale of tears and despair. Unlike KTM who have established a working relationship with Bajaj (as have Kawasaki) to produce a range of bikes from 200 to 390cc it would appear that they wish to go it alone, an interesting strategy and one that even BMW are rumoured to be avoiding with talk of them tying up with TVS, another large Indian motorcycle producer.

A brief outline of what is known of Triumphs adventures in this area commences back in 2010 when rumours started about their intentions in India. These were picked up and spread around the biking world. In early 2011 it was confirmed that Triumph had appointed the former head of Royal

Enfield's European operations, Ashish Joshi, to set up their Indian branch. It was never made clear whether this was just to be a sales and distribution exercise or a manufacturing operation until Joshi let the cat out of the bag in an interview with the Indian Business Standard. Triumph, he noted, were developing a small bike with a 260 – 350cc single cylinder engine to sell to developing countries. Unfortunately the paper no longer has this interview on its website so the details are second hand but it is claimed that he referred to the machine as the 'Street Single' and it would appear in various guises. It was soon after this careless talk that the unfortunate Mr Joshi found himself available for further career opportunities by 'mutual consent'. The responsibility for setting up the Indian arm then fell back to Hinckley who have been struggling to maintain any momentum. A spokesman for the company told the Business Standard in October 2012 –

"I can only confirm that Triumph is planning to launch in India during early quarter of 2013. We are in active discussions with local government agency to acquire land for our manufacturing needs. However, the deal has not yet been finalised,"

Quite why the delay or what or what they intend to manufacture is not made clear but a reasonable assumption would be that it is CKD's that circumnavigate the trade tariffs in place in India. Indeed it must be pointed that although the reduction in labour costs is usually cited as the reason for sourcing production abroad the existence of local taxes on imported goods and the existence of advantageous free trade zones is just as much a stimulus for companies wishing to expand overseas as are lower production costs. It is probably also fair to believe that once 'manufacturing' has been established and experience gained on the CKD's then introducing a brand new model, such as the 'Street Single' should not present too much heartache.

Another option would be for them to form a partnership with an already established Indian manufacturer as KTM have done. KTM is well ahead in both producing a range of small bikes and distributing their larger machines to the country with 9,000 units sold in 2012. This is small by Indian standards but would represent a near 20% increase in sales for Triumph if they were to match it. One could be forgiven for assuming a certain air of frustration at Hinckley as their rivals forge ahead and little seems to be happening, to the outside world at least.

Looking to Brazil to divine the future of Triumphs manufacturing ventures abroad generally may well be the safest bet for the time being but any excitement over a new Triumph Cub may well be misplaced judging by the lack of information available. When it comes to launching machines Triumph tend to prepare the ground well with 'spy' shots appearing in the press 18 – 24 months beforehand followed by a gap of around a year before photos of the nearly finished article make a splash in the press. Beyond what we learnt from Ashish Joshi nothing of the Street Single, other than drawings and rumours of the small bike being tested, has emerged so far.

This article was written in early December 2012, by the time it is published the situation may well have changed again. The management team at Hinckley sound quite keen to get going in India and no doubt hope to mirror the success of Brazil but if so they are not saying too much about it. The 2012 press releases on Triumphs website hardly mention business developments and for the two years prior to that information is scantier still. Trawling the web only turns up crumbs which are often contradictory and confusing. Hard facts are hard to come for both us and their competitors which no doubt is intentional but overall the impression is that the Street Single project has presently stalled or has at least been shunted a long way down the list of Triumphs priorities. This will be disappointing news to all those who would wish to see the company widen its portfolio to embrace novice friendly bikes with youth appeal. The Bonneville is a great success and a mainstay of sales but to a large extent its attraction is based on nostalgia and 13 years from its introduction the number of potential customers to whom the old Meriden models mean anything is dwindling rapidly. The news of plans to reintroduce the Matchless name into Italy and the UK puts further pressure on this market segment although it is difficult to see it return as anything other than a boutique brand.

Shifting demographics can be cruel to a model line and in 2013 the youngest riders who can recall the glorious days of the old Triumph from their youth will be at least in their mid 50's and it is doubtful that newcomers will want a retro when looking for a middleweight bike. This leaves the Street Triple and maybe the 800 cc tigers as alternatives but these are still large and sporty machines when compared to Suzuki's SV650 or Kawasaki's Verseys to name two other contenders in this bracket. Triumph are looking vulnerable from below and their arch rivals BMW have at least recognised the desirability of having a range of machines to match the new entrant's skill levels and confidence. Will the management at Hinckley be once again taking note of what the Germans are doing, but with better build quality? If so they must be asking themselves whether the Street Single is a viable prospect in western markets or should they be looking at something around twice the size instead? When all is taken into account I somehow feel that we will be a long time in waiting for a new baby Triumph to materialise in the showrooms.

Note.

This article was prepared from information freely available on websites based in India, Brazil and the UK. Naturally one has to be careful in selecting from such sources but I believe this to be a fair reflection of what has been happening in the two countries concerned. Triumph at Hinckley were also approached for any further news or updates on events, however, the company did not respond.