

Buy one, rent one

Early bird customers of Kinetic Honda have a unique facility: a scooter on rent from any dealer anywhere in the country

In the current consumerist environment, the country's service sector has achieved a belated sophistication. In domestic tourism, for instance, the rental car market will accelerate with the proposed entry of Hertz and Avis, the USA's two top car rental companies. Meanwhile, another company has been quietly sponsoring a rental service, the first of its kind, in the two-wheeler industry. Early this year, Kinetic Honda Motor Ltd, the Japanese collaboration headquartered in Pune, began a scheme called the Founders' Club, for all those customers who purchased Kinetic Honda scooters (current Bangalore price Rs 13,050 after tax) before 31 March, 1987.

Says Koji Wanaka, joint managing director, "It was an expression of our appreciation to those who paid more to buy our vehicle." It is also part of the larger effort undertaken by Honda, Japan, who hold a 28.56 per cent equity in the company, with a similar share being held by Kinetic Engineering Ltd, to dilute the negative Japanese image in the automobile industry.

The Founders' Club membership, which automatically extends to 15,000 customers who bought the vehicle in the stipulated period, offers three privileges. A member gets a comprehensive service insurance scheme that guarantees maintenance for three years, high priority on vehicle servicing, and best of all, the facility to rent a Kinetic Honda at Rs 35 per day at any of the company's 150 countrywide dealers. Petrol is put in at the customer's expense, but mileage is unlimited. An

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estimated five to 20 scooters are set aside by the dealers for the purpose, though these vehicles also double up as demonstration models for potential customers. The cost for the upkeep of the vehicle is shared by the parent company and the dealer.

Although the idea originated with the company's marketing team, Wanaka emphasises that the Founders' Club was not a sales gimmick. Most members became eligible only after they had purchased the 100 cc scooter. And the service has been so far reserved exclusively for the first few customers, though there are now 35,000 Kinetic Hondas on the road.

So far, the company has not quantified its feedback on the rent-a-scooter scheme. The idea has not been sufficiently pushed and there are some customers who are quite unaware that such a facility exists. However, there is a core membership of dedicated users, according to Steerwell Motors, dealers of Kinetic Honda scooters in Bangalore. "We rent out an average of six to seven scooters a day," says a Steerwell spokesman. Occasionally, one of the city's 200 Founders' Club members rents a scooter while his vehicle is being serviced. But most customers are out-of-town businessmen, who keep the vehicles for an average of four to five days. Arun Charantimath of Dharwad is a regular Steerwell customer. As a Youth Congress politician and a real estate businessman, he often finds himself in Bangalore or Delhi. "At Rs 35 a day, the scooter rental is a bargain," he says. "I wish they would extend the service to all their customers, though," he adds.

But Kinetic Honda is not overanxious to either publicise or extend the scooter rentals at this stage. There are too many complicated laws that govern the leasing and renting of vehicles, and these differ from state to state. Even Goa, which has one of the most liberal Motor Vehicle Acts, only allows the rental of two-wheelers by specially licensed vehicle-owners who are required to ride the scooter or motorcycle themselves while taking on a pillion rider.

If the Avis and Hertz experiments take off as anticipated, there may possibly be suitable amendments made to the existing legislation to make the hire of two and four-wheelers easier. Till then, Kinetic Honda will continue to underplay its potentially profitable idea as merely a token of thanks to its early bird customers, and those who choose to buy the scooter later will simply have to do without this unique facility.

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