

A

Project Report

on

“A study of Marketing strategy of Hero MotoCorp”

Submitted to

G. S. College of Commerce & Economics (Autonomous), Nagpur

Affiliated to

Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

In partial fulfillment for the award of the degree of

Bachelor of Business Administration

Submitted by

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Under the Guidance of

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Academic Year 2023- 24



G. S. College of Commerce and Economics, Nagpur



Academic Year 2023- 24

CERTIFICATE

This is to certify that Amol K. Lilhare has submitted the project report titled “**A study of Marketing strategy of Hero MotoCorp**”, towards partial fulfilment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he has ingeniously completed his project as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

Dr. Afsar Sheikh
(Project Guide)

Dr. Afsar Sheikh
(Coordinator)

Place: Nagpur

Date:

G. S. College of Commerce and Economics, Nagpur



Academic Year 2023- 24

DECLARATION

I here-by declare that the project with title “A STUDY OF MARKETING STRATEGY OF HERO MOTORCORP” has been completed by me in partial fulfilment of BACHELOR OF BUSINESS ADMINISTRATION degree examination as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

Amol k. Lilhare

Place: Nagpur

Date:

G. S. College of Commerce and Economics, Nagpur



Academic Year 2023- 24

ACKNOWLEDGEMENT

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to Dr. Praveen Mustoor, Principal, G.S. College of Commerce & Economics, Nagpur.

I am extremely thankful to my Project Guide Prof. Dr. Afsar Sheikh for his guideline throughout the project. I tender my sincere regards to Co-ordinator, Dr. Afsar sheikh for giving me outstanding guidance, enthusiastic suggestions and invaluable encouragement which helped me in the completion of the project.

I will fail in my duty if I do not thank the non-Teaching staff of the college for their Cooperation.

I would like to thank all those who helped me in making this project complete and successful.

Amol k. Lihare

Place: Nagpur

Date:

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CHAPTER 1: -
INTRODUCTION

INTRODUCTION OF THE PROJECT

The project is all about measuring the customer satisfaction in Hero motors. For the past few years every company is trying to satisfy its customers. The emphasis is on ways of retaining customers, then on attracting new customers. It is easy to attract new customers then to retain old customers. So, companies are trying to focus on this aspect of customer's satisfaction.

The sale of a product does not end with the sale transaction but it is the point at which the original marketing concept starts. The marketer has to see that whether the customer satisfied with that particular product/service or not. The post purchase behaviour is important for a marketer. If there is any cognitive dissonance in the minds of the customers then that is enough to lose a customer. Keeping this in mind the companies are giving more importance to customer satisfaction.

This project work has been done to find out whether a customer is satisfied or dissatisfied, also to measure the level of the customer satisfaction and provide this feedback to the company. The first phase of the project involves the collection of information from the customers for interpreting the characteristics based on which the customer feels satisfied or dissatisfied. This information is collected by preparing a structured questionnaire. The questionnaire consists of both open-ended and closed-ended questions. The questionnaire is designed in such a way that a customer feels convenient to answer.

The collated information through the questionnaire is analysed and presented in a statistical form. The findings are listed and suggestions to solve problems faced have been given in the suggestion part.

CUSTOMER SATISFACTION

Whether the buyer is satisfied after purchase depends on the offer's performance in relation to the buyer expectation. In general satisfaction are a person's feelings of pleasure or disappointment resulting from comparing a products perceived performance relation to his/her expectations. If the performance falls short of expectation, the customer is dissatisfied. If the performance matches the expectation customer is satisfied. If the performance exceeds the expectation the customer is highly satisfied.

Customer satisfaction cannot be very difficult. After all you either satisfied with the services you receive or you are not. If you, don't you are not. If it is that easy, then obtaining people's opinion about how satisfied they are with relatively straight forward matter- or is it? Customer satisfaction is a marketing tool and a definite value-added benefit. It is often perceived by customers as important as the primary product or service your organization offers. It looks at what is involved from 3 different angles, the first is from the view of an organization wishing to understand, and measures, how satisfied its customer are with the products and services they receive from it. The second is from the perspective of a research agency that has been asked to obtain feedback from customers and about their experiences when dealing with companies. Finally, it considers the issue from the perspective of consumers who participate in surveys, including both business customers and members of general public.

OBJECTIVES OF THE STUDY

- Marketing starts with identifying the needs of customers and ends in satisfying those wants. The goal of marketing is to attract new customers by promising superior value and to keep current customers by delivering satisfaction based on their preferences retaining them.

- Without customer, no market exists. As the customers are regarded as the superiors in today's market, the level of satisfaction and their preferences should be keenly studied.
- The two-wheeler industry has been expanding rapidly. Gone are the days when possessing a two-wheeler was seen as a luxury. Now days, it is viewed as a mere necessity.
- Prior, sale of two-wheelers was mainly confined to urban areas but lately in rural areas the bicycles are being replaced by power driven two-wheelers such as scooters, motorcycles.
- Not only this, this industry has also customers ranging from all demographic segments. It has been common sights that even school going children are driving two-wheelers. The women customers are also increasing due to increase in women literacy and employment.
- Getting a new customer is difficult, then retaining a current customer is a more difficult one and not only that it is estimated that the cost of attracting a new customer is five times the cost of retaining current customer. It requires a great deal of effort to induce satisfied customer to switch away from their current preference. Thus, customer satisfaction is been given top priority in today's competitive world.
- Therefore, keeping the above stated objective in mind, this study was conducted to ascertain the customer's satisfaction towards Hero two wheelers in Hero MotoCorp Ltd. In view of this, a detailed study of customer preferences, levels of satisfaction and their complaints and suggestions was undertaken.

SIGNIFICANCE OF THE STUDY

The information required for this study obtained was basically through two sources.

Primary Data:

Primary data can be collected through the following method, survey technique, or approach

This consists of the following: -

- Questionnaire
- Personal interview or field survey
- Telephone survey

Secondary Data:

Secondary data can be collected through the following method: -

- Websites
- Internal records
- Newspaper
- Research papers, etc.

CHAPTER 2: -
COMPANY PROFILE



COMPANY PROFILE

Hero MotoCorp Ltd. (Formerly Hero Honda Motors Ltd.) is the world's largest manufacturer of two - wheelers, based in India.

In 2001, the company achieved the coveted position of being the largest two-wheeler manufacturing company in India and also, the 'World No.1' two-wheeler company in terms of unit volume sales in a calendar year. Hero MotoCorp Ltd. continues to maintain this position till date.

Hero MotoCorp is now world's largest manufacturer of two wheelers. The company has benefited from the demand shift to motorcycles, as it focuses solely on this product segment (although has a product called Pleasure in Scooter segment). With fuel efficiency and riding comfort as the main selling points, HMC has been able to address a wide market and post robust sales growth even after its separation from the Japanese major Honda.

VISION

The story began with a simple vision the vision of a mobile and an empowered India, powered by its bikes. Hero MotoCorp Ltd., company's new identity, reflects its commitment towards providing world class mobility solutions with renewed focus on expanding company's footprint in the global arena.

MISSION

Hero MotoCorp's mission is to become a global enterprise fulfilling its customers' needs and aspirations for mobility, setting benchmarks in technology, styling and quality so that it converts its customers into its brand advocates. The company will provide an engaging environment for its people to perform to their true potential. It will continue its focus on value creation and enduring relationships with its partners.

STRATEGY

Hero MotoCorp's key strategies are to build a robust product portfolio across categories, explore growth opportunities globally, continuously improve its operational efficiency, aggressively expand its reach to customers, continue to invest in brand building activities and ensure customer and shareholder delight.

MANUFACTURING

Hero MotoCorp two wheelers are manufactured across three globally benchmarked manufacturing facilities. Two of these are based at Gurgaon and Dharuhera which are located in the state of Haryana in northern India. The third and the latest manufacturing plant are based at Haridwar, in the hill state of Uttarakhand.

TECHNOLOGY

In the 1980's the Company pioneered the introduction of fuel-efficient, environment friendly four-stroke motorcycles in the country. It became the first company to launch the Fuel Injection (FI) technology in Indian motorcycles, with the launch of the Glamour FI.

Its plants use world class equipment and processes and have become a benchmark in leanness and productivity.

Hero MotoCorp, in its endeavour to remain a pioneer in technology, will continue to innovate and develop cutting edge products and processes.

Corporate Governance

At Hero MotoCorp, it is the firm's belief that the essence of Corporate Governance lies in the phrase "Your Company". It is "Your" Company because it belongs to you - the shareholders. The Chairman and Directors are "Your" fiduciaries and trustees. Their objective is to take the business forward in such a way that it maximizes "Your" long-term value.

This Company is committed to benchmarking itself with global standards for providing good Corporate Governance. It has put in place an effective Corporate Governance System which ensures that the provisions of Clause 49 of the Listing Agreement are duly complied with.

The Board has also evolved and adopted a Code of Conduct based on the principles of Good Corporate Governance and best management practices being followed globally.

- **Headquarter and Branches**

Corporate & Registered Office

Hero MotoCorp Ltd.

34, Community Centre, Basant Lok, Vasant Vihar, New Delhi - 110057, India.

Tel: +91-11-26142451, 26144121

Fax: +91-11-26143321, 26143198

Zonal Offices

East Zone

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Hero MotoCorp Ltd.

15-A, Bhale Estate, Rear Wing, Third Floor, Pune-Mumbai Road,
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Hero MotoCorp Ltd.

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Tel: +91-80-25550430, 25584436, 25582436, 25321139

Fax: +91-80-25594036

Email: **bangalore@heromotocorp.com**

GRADING POSITIVES

Market leadership, strong brand equity, professional management, high operating efficiency and established scale economies. Strong financial profile characterized by

healthy margins, high profitability and cash generation. Potential upsides to our estimates: HMCL sustain its current market share, leveraging its brand equity, product performance and distribution strengths; industry growth exceeds our estimates over the medium term despite existing concerns on macro-economic scenario; HMCL betters the margins estimated by us via sustained business growth and increases in operating efficiency even in the face of competitive and cost pressures.

GRADING SENSITIVITIES

- Key sensitivities to our estimates include:
- Inflation in input costs not being neutralized by price increases because of competitive pressures;
- High concentration on Executive segment;
- Intensifying competition from global players;
- Ability to develop in-house technical capability or form alternate technical tie-ups with external institutions

Company History - Hero MotoCorp

1983

-Joint Collaboration Agreement with Honda Motor Co. Ltd. Japan signed

-Shareholders Agreement signed

1984

-Hero Honda Motors Ltd. Incorporated

1985

-First motorcycle "CD 100" rolled out

1987

-100,000th motorcycle produced 1989 New motorcycle model - "Sleek" introduced

1991

- New motorcycle model - "CD 100 SS" introduced
- 500,000th motorcycle produced

1992

- Raman Munjal Vidya Mandir inaugurated - A School in the memory of founder Managing Director, Mr. Raman Kant Munjal

1994

- New motorcycle model - "Splendor" introduced
- 1,000,000th motorcycle produced

1997

- New motorcycle model - "Street" introduced
- Hero Honda's 2nd manufacturing plant at Gurgaon inaugurated

1998

- 2,000,000th motorcycle produced

1999

- New motorcycle model - "CBZ" introduced
- Environment Management System of Dharuhera Plant certified with ISO-14001 by DNV Holland.
- Raman Munjal Memorial Hospital inaugurated - A Hospital in the memory of founder Managing Director, Mr. Raman Kant Munjal

2000

- 4,000,000th motorcycle produced
- Environment Management System of Gurgaon Plant certified ISO-14001 by DNV Holland
- Splendor declared 'World No. 1' - largest selling single two-wheeler model

- "Hero Honda Passport Programme" - CRM Programme launched

2001

- New motorcycle model - "Passion" introduced

- One million production in one single year

- New motorcycle model - "Joy" introduced

- 5,000,000th motorcycle produced

2002

- New motorcycle model - "Dawn" introduced

- New motorcycle model - "Ambition" introduced

- Appointed Virender Sehwal, Mohammad Kaif, Yuvraj Singh, Harbhajan Singh and Zaheer Khan as Brand Ambassadors

2003

- Becomes the first Indian Company to cross the cumulative 7 million sales mark

- Splendor has emerged as the World's largest selling model for the third calendar year in a row (2000, 2001, 2002)

- New motorcycle model - "CD Dawn" introduced

- New motorcycle model - "Splendor +" introduced

- New motorcycle model - "Passion Plus" introduced

- New motorcycle model - "Karizma" introduced

2004

- New motorcycle model - "Ambition 135" introduced

- Hero Honda became the World No. 1 Company for the third consecutive year.

- Crossed sales of over 2 million units in a single year, a global record.

- Splendor - World's largest selling motorcycle crossed the 5 million mark

- New motorcycle model - "CBZ*" introduced

- Joint Technical Agreement renewed

- Total sales crossed a record of 10 million motorcycles

2005

- Hero Honda is the World No. 1 for the 4th year in a row
- New motorcycle model - "Super Splendor" introduced
- New motorcycle model - "CD Deluxe" introduced
- New motorcycle model - "Glamour" introduced
- New motorcycle model - "Achiever" introduced
- First Scooter model from Hero Honda - "Pleasure" introduced

2006

- Hero Honda is the World No. 1 for the 5th year in a row
- 15 million production milestone achieved

2007

- Hero Honda is the World No. 1 for the 6th year in a row
- New 'Splendor NXG' launched
- New 'CD Deluxe' launched
- New 'Passion Plus's launched
- New motorcycle model 'Hunk' launched
- 20 million production milestone achieved

2008

- Hero Honda Haridwar Plant inauguration
- New 'Pleasure' launched
- Splendor NXG launched with power start feature
- New motorcycle model 'Passion Pro' launched
- New 'CBZ Xtreme' launched
- 25 million production milestone achieved
- CD Deluxe launched with power start feature
- New 'Glamour' launched
- New 'Glamour Fi' launched

2009

Hero Honda GoodLife Program launched Hunk' (Limited Edition) launched

- Splendor completed 11 million production landmarks
- New motorcycle model 'Karizma - ZMR' launched
- Silver jubilee celebrations

2010

- New model Splendor Pro launched
- Launch of new Super Splendor and New Hunk

2011

- New licensing arrangement signed between Hero and Honda (Hero Honda is renamed as Hero)
- Launch of new refreshed versions of Glamour, Glamour Fi, CBZX treme, Karizma
- Crosses the landmark figure of 5 million cumulative sales in a single year

2012

- 45% market share in the domestic two-wheeler market
- 56% market share in the domestic motorcycle market
- Declared a dividend of 2,250% in 2011-12, i.e., 45 per equity share of the face value of 2 per share

2013

- Hero Motocorp Commences Construction of Its New Plant & GlobalParts Centre
- Hero Motocorp Launches another Market First Offers Warranty of 5Years on All Its Two-Wheelers
- Hero MotoCorp Commences Construction of Its "GAME-CHANGING "Centre of Global Innovation and Research & Design
- Hero MotoCorp Sets Yet Another Milestone in Its Journey of Technological Leadership hero MotoCorp Zooms Ahead with Record Retail Sales of Over1.2 million Units in Oct-Nov

2014

-Hero MotoCorp Heralds A New Era Of Technology Leadership -Hero MotoCorp Sets New Benchmark For The Global Two Wheeler Industry

-Hero MotoCorp Launches Splendor Is mart With Game Changing I3sTechnology

-Hero MotoCorp Sets New Industry Benchmark With Record Sales For A Non - Festive Month -Hero Motocorp Rides Into A Greener Tomorrow With "GARDEN Factory" 2015

-Hero MotoCorp Augments Leadership with Highest-ever Calendar Year Sales in 2014

-Hero MotoCorp has launched a new entry level commuter, the HF Dawn

-Hero MotoCorp has been allocated a 592-acre site to facilitate development of its Rs.1600-crore Greenfield manufacturing unit in Andhra Pradesh

-Hero MotoCorp launches new Passion Pro bike -HMCL Americas INC enters into "Settlement Agreement" to Acquire EBR's Consulting Business

-Hero MotoCorp has commenced operation in their first ever plant outside India established in Villa Rica, Colombia

2016

-Hero MotoCorp Commences the New Year with Robust Sales -Hero MotoCorp unveils Four new 2-wheelers

-Hero MotoCorp unveils technology & innovation-driven new product strategy

-Hero MotoCorp inaugurates CIT in Jaipur

-Hero MotoCorp Marks Five Years of Solo Journey with Leadership Performance

-Hero MotoCorp begins a new era with the Splendor iSmart 110

- the first motorcycle completely designed & developed in-house

-Hero MotoCorp recives TIME India Awards

-Manufacturing Innovator of the Year Award

- **Profile of target customer**

Hero MotoCorp basically targets the every each and segments of the market. So the reare some products like splendor, CD- dawn (rs40000-50000) they made for lower

segment of the market and glamour, passion, CBZ, karizma (rs above 50000) for the upper segment of the market. And now they are trying to target the young people of the market.

India's Hero MotoCorp, the world's largest producer of motorcycles and scooters, has announced its intention to expand globally, with plans to sell vehicles on three continents and nearly double its unit sales within five years. The company, whose family shareholders bought out its former partner Honda Motor this year, said it would invest about \$1bn to expand internationally in south-east Asia, Africa, and Central and Latin America.

- **Customer Relationship Activity**

For making a better relationship with customer they always use genuine parts in their product. And after selling they have the services and maintenances. Their constant endeavor is to support the company's mandate of providing highest level of customer satisfaction by taking good care of customer's two-wheeler service and maintenance through their vast network of more than 2100 committed dealers and service outlets spread across the country.

Apart from that hero MotoCorp focused on cleanliness and other aesthetics of the service stations and add such air conditioned waiting area, internet surfing, coffee shops etc to enhance the in house experience of the customers at those "customer touch point" To ensure that millions of customers in the rural area are not left waiting for adequate service as it is impossible for the company to introduce service station at every nook and corner of the country, mobile service stations are regularly arranged with prior intimation to public about the route that the mobile workshop would take when passing through that region so that customers can come and get their two wheelers serviced. All these activities are aimed to increase the customer loyalty and thus retaining customers.

Good life: Customer Loyalty Program

Good Life is a Customer Relationship Program introduced a decade ago, which Endeavour's to enhance customer satisfaction and initiate increased levels of member engagement.

The main objective of this Program is to make our customers our Brand Ambassadors to generate referral sales and boost service visits.

The GoodLife Program has enabled the Company build a consolidated base of 10million plus loyal customers; in the process, a new distribution platform has emerged. Good Life now contributes a huge 14% to the Company's overall sales (purely through referrals), in addition to incremental sales. GoodLife has emerged as the largest Customer Relationship Program in India, witnessing additions of 0.38 million members each month. During the year, the Program's member base shot up 16%, with new 4.51 million transactions being undertaken.

Besides aiming to increase the number of customers and volume of transactions, the Program seeks to enhance revenue opportunities for dealers as well. Different levels of engagement have been in-built into the Program with the aim of increasing its people engagement initiatives. Some of these are: transaction-based rewards, exclusive event invites, personal accidental insurance, service continuity bonus, transaction benefits on special occasions (birthdays, anniversaries), quarterly newsletters and interaction through a program website.

The Program began with a member transaction booklet, a replica of the Passport Booklet, which helps in engaging with customers. However, the Program has been e-enabled now to improve its geographical reach and efficiency level. It runs on the backbone of a robust and engaging frontend and a sound, solid and technical backend. The Program includes customized technology, combining a mix of Magnetic Swipe/Bar Code. Personalized Membership Cards are shared with Good Life members, which are easy to carry, transact and earn/redeem rewards. Online member profiling and real-time customer feedback module (via questionnaires) are some more salient features of the Program. During the year, GoodLife has been the recipient of several accolades and awards on national and international platforms. Some of these were:

- **'Order of Merit' in PMAA awards 2011 under 'Best Activity Generating Short or Long Term Brand Loyalty' category**
- **Colloquy Award under Innovation in Loyalty Marketing (International) category**

- **Qualified as ECHO Finalist (5th place) in 2011 DMA International ECHO™**

Awards competition Loyalty Award under Auto Sector

OPERATION RAMP-UP

With demand for bikes recording a stupendous growth of 15% during the year under review, the Company's capacities were severely strained. This prompted it to augment its capacity at its three plants up from 5.4 million units to 6.35 million during the year. This was made possible through a number of de-bottlenecking measures. For example, the Company's plants were made leaner by outsourcing noncritical processes and operations.

Besides this, a number of structural changes and alterations were made in its manufacturing strategy to effectively implement its Sales Plan for 2016-17. Major replacements were also executed in the paint and assembly shop, ensuring little or no shutdown along the assembly line. Apart from the above measures, several innovative technologies were inculcated to reduce operational costs. Some examples of these are:

- **A breakthrough technology for gear rolling was implemented for mass-production**
- **Fine blanking, an alternate process of hobbling, was introduced for sprocket components**
- **Advanced cam grinding was introduced to increase productivity and control costs** The Company's oldest plant at Dharuhera was in the limelight for two specific reasons:
 - **Wage negotiations were concluded**
 - **Plant won TPM Excellence Award**

The Company continues to set new industry benchmarks in the areas of energy conservation and sustainability. Vapour absorption machines and heat recovery units were installed during the year to utilize waste heat from Gas DGs for air-conditioning and pre-heating of hot water generation. Other green initiatives included projects on

waste water management, LED lighting and solar power. These cost leadership and green projects yielded considerable savings to the Company within a short period of time.

PORTFOLIO OF PRODUCTS

Hero MotoCorp offers wide range of two-wheeler products that include motorcycles and scooters, and has set the industry standards across all the market segments.

100ccBike category

- **SPLENDOR PLUS**
- **SPLENDOR NXG**
- **SPLENDOR PRO**
- **PASSION PRO**
- **PASSION XPRO**
- **MAESTRO**
- **PLEASURE**
- **HF DAWN**
- **HF DELUXE**

125cc

Bike category

- **FI GLAMOUR**
- **SUPER SPLENDOR**
- **IGNITOR**
- **Glamour PGM FI**

150cc**Bike category**

- **ACHIEVER**
 - **KARIZMA**
 - **KARIZMA ZMR**
 - **IMPULSE**
 - **HUNK**
 - **XTREME**
-
- **Termination of Honda joint venture**

In December 2016, the board of directors of the Hero Honda Group has decided to terminate the joint venture between Hero Group of India and Honda of Japan in a phased manner. The Hero Group would buy out the 26% stake of the Honda in JV Hero Honda. Under the joint venture Hero Group could not export to international markets (except Sri Lanka) and the termination would mean that Hero Group can now export. Since the beginning, the Hero Group relied on their Japanese partner Honda for the technology in their bikes. So, there are concerns that the Hero Group might not be able to sustain the performance of the Joint Venture alone.

The Japanese auto major will exit the joint venture through a series of off market transactions by giving the Munjal family that held a 26% stake in the company — an additional 26%. Honda, which also has an independent fully owned two-wheeler subsidiary — Honda Motorcycle and Scooter India (HMSI)— will exit Hero Honda at a discount and get over \$1 billion for its take. The discount will be between 30% and 50% to the current value of Honda's stake as per the price of the stock after the market closed on Wednesday.

The rising differences between the two partners gradually emerged as an irritant. Differences had been brewing for a few years before the split over a variety of issues, ranging from Honda's reluctance to fully and freely share technology with Hero (despite a 10-year technology tie-up that expires in 2014) as well

as Indian partner's uneasiness over high royalty pay outs to the Japanese accompany. Another major irritant for Honda was the refusal of Hero Honda (mainly managed by the Munjal family) to merge the company's spare parts business with Honda's new fully owned subsidiary Honda Motorcycle and Scooter India (HMSI).

As per the arrangement, it will be a two-leg deal. In the first part, the Munjal family, led by Brijmohan Lal Munjal group, will form an overseas-incorporated special purpose vehicle (SPV) to buy out Honda's entire stake, which will be backed by bridge loans. This SPV would eventually be thrown open for private equity participation and those in the fray include Warburg Pincus, Kohlberg Kravis Roberts (KKR), TPG, Bain Capital, and Carlyle Group.

Honda will continue to provide technology to Hero Honda motorbikes until 2014 for existing as well as future models.

MAIN REASONS FOR PARTING

ISSUE of exports

According to the shareholder's agreement signed in 1984, the joint venture was only for domestic production and consumption. The agreement was subsequent, modified to allow exports of limited products to a few countries, namely Sri Lanka, Bangladesh, Nepal, and Columbia. However, in 2008, when the issue of exporting the Indian JV's products to other countries came up, Honda was of the opinion that Hero Honda will have to compete on its own since it could not influence its subsidiaries abroad to import the JV's products. Honda's subsidiaries are run very independent and decide which countries they want to source their products from. This was a bitter pill to swallow for Hero Honda.

INVESTMENT IN R&D

Hero Honda wanted to scale up its business & wanted to enter the next Growth phase by focussing on manufacturing its own products & Investing in its own R&D to which Honda was not comfortable.

Direct Competitor

Honda's Indian subsidiary Honda Motorcycles and Scooters India Pvt Ltd (HMSIPL) decided in 2010 to launch motorcycles, the segment that formed over 70 per cent of Hero Honda's sales. Hero Honda's apprehension was that HMSIPL motorcycle will become a direct competitor to its largest selling bikes – Passion and Splendor. Also, this was against the terms of the agreement.

CHAPTER 3: -
RESEARCH METHODOLOGY

STATEMENT OF THE PROBLEM

This Project has been titled “A study of Marketing strategy of Hero MotoCorp”

To study the new market of Hero motors after the split with Honda, the consumer response to the bike and needed improvement area The study would help to understand the consumer satisfaction to their expectation.

OBJECTIVES

This study was conducted keeping the following objectives in mind.

- To study the factors which influence the purchase of Hero two-wheelers?
- To know the customer level of awareness of Hero two-wheelers.
- To know the various factors, which influence customers in purchasing, they're two - wheelers?
- To find the after sales service by Hero MotoCorp Ltd.

SCOPE OF THE STUDY

- This study helps the organizations to increase their service and product quality and in turn increase the market share, top and bottom line of the economy.

HYPOTHESIS

HO: Customers are satisfied with features of product of Hero Motorcorp.

H1: Customers are not satisfied with features of product Hero Motorcorp.

HO: Customers are satisfied with price of product of Hero Motorcorp.

H1: Customer are not satisfied with price of products of Hero Motorcorp.

CHAPTER 4: -
DATA ANALYSIS
AND
INTERPRETATION

- Identification of age group.

18-25

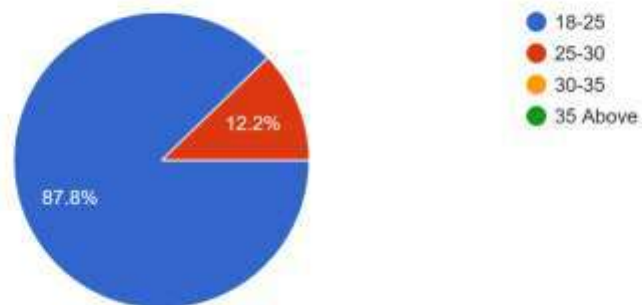
25-30

30-35

35 Above

Age Group	Frequency	Percent
18-25	36	87.8%
25-30	5	12.2%
30-35	0	0%
35 Above	0	0%

Age
41 responses



Interpretation: - Most of the people of age group of 18-25 aware of the Hero MotorCorp

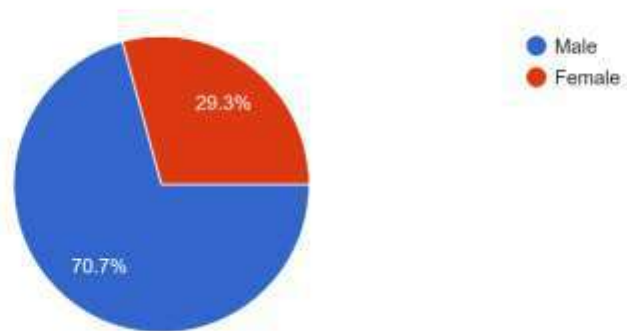
- Identification of the Gender.

Male

female

Gender	Frequency	Percent
Male	29	70.7%
Female	12	29.3%

Gender
41 responses



Interpretation: - 70% of the males are much aware of the Hero MotorCorp company

- Identification of the Occupation.

Student

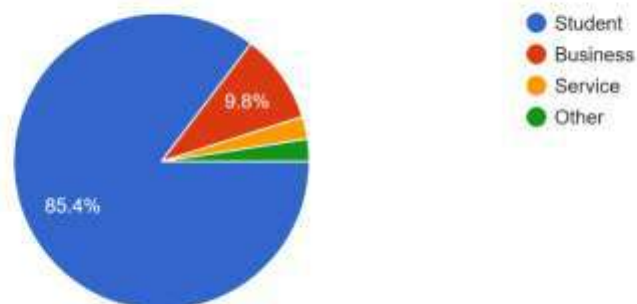
Business

Service

other

Occupation	Frequency	Percent
Student	35	85.4%
Business	4	9.8%
Service	1	2.4%
Other	1	2.4%

Occupation
41 responses



Interpretation: - 85% of the respondents were students, 10% of the respondents were business, and 5% of the respondents were service and other.

- which company bike do you have?

Hero Motorcorp ltd

Bajaj

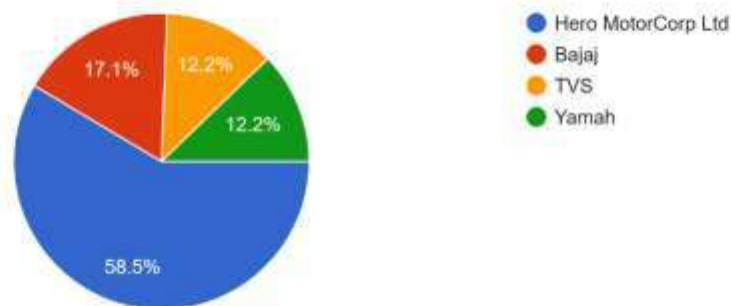
TVS

Yamah

Company	Frequency	Percent
Hero MotorCorp ltd	24	58.5%
Bajaj	7	17.1%
TVS	5	12.2%
Yamah	5	12.2%

Which company bike do you have?

41 responses



Interpretation: - 60% of respondent selected Hero Motorcorp ltd, 15% of respondent selected Bajaj and 25% of respondent selected TVS and Yamah.

- Which feature do you consider while purchasing a bike?

Brand

Mileage

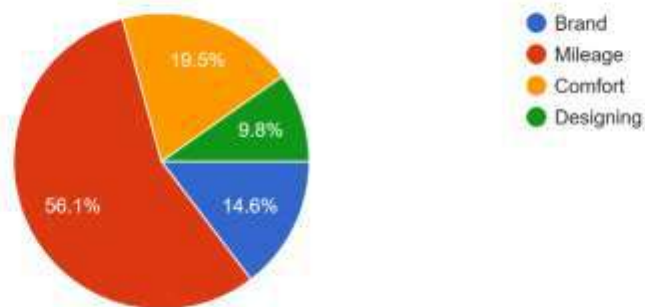
Comfort

Designing

Feature	Frequency	Percent
Brand	6	14.6%
Mileage	23	56.1%
Comfort	8	19.5%
Designing	4	9.8%

which feature do you consider while purchasing a bike?

41 responses



Interpretation: - 15% of the respondent were brand, 55% of the respondent were mileage, 20% of the respondent were comfort, 10% of the respondent were designing.

- which marketing scheme of the Hero attract you the most?

Special offer

Cash discount

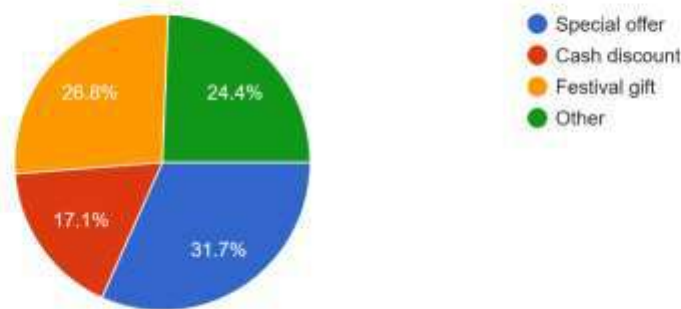
Festival gift

Other

Scheme	Frequency	Percent
Special offer	13	31.7%
Cash discount	7	17.1%
Festival gift	11	26.8%
Other	10	24.4%

Which marketing scheme of the Hero attract you the most?

41 responses



Interpretation: - 30% of the respondent were special offer, 17.5% of the respondent were cash discount, 27.5% of the respondent were festival gift, 25% of the respondent were other.

- which feature of the hero bike attract you the most?

Designing

Fuel efficiency

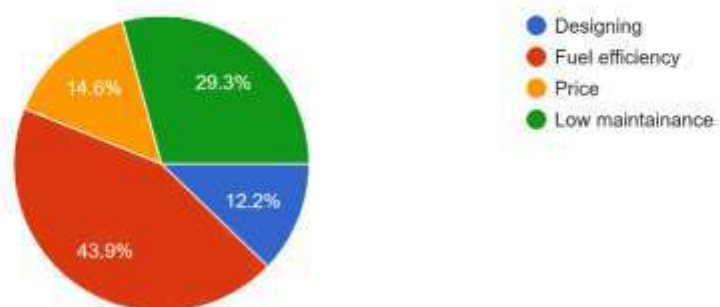
Price

Low maintenance

Feature	Frequency	Percent
Designing	5	12.5%
Fuel efficiency	18	43.9%
price	6	14.6%
Low maintenance	12	29.3%

Which feature of the Hero bike attract you the most?

41 responses



Interpretation: - 42.5% of the respondent were fuel efficiency, 30% of the respondent were low maintenance, 15% of the respondent were price, 12.5% of the respondent were designing

CHAPTER 5: -
FINDING AND RECOMMENDATION

RECOMMENDATIONS

The two-wheeler companies should focus on gearless scooters. The market share of gearless scooters is increasing at a healthy rate. Bajaj is virtually absent in this range that caters to the needs of women and families. Presently Honda, Hero Honda and TVS are big players in this segment.

Entry into four-wheeler segment Bajaj has entered into a joint venture with Renault-Nissan in the development of a small car priced at \$3000. This is a significant move because it directly competes with Tata NANO. Bajaj has also displayed its small car prototype in the recently held auto expo. It promises double the mileage as compared to any car in the economy segment and is also considering the option of introducing Diesel and LPG variants. The four-wheeler segment will also be able to hedge any risk that might arise because of the two-wheeler industry and would profit from retaining consumers switching from two wheelers

Scaling Up Service Centre Companies need to scale up its service centre both in numbers and in capacity. Keeping in line with its growth target for the next 5 years, the service centres should not only cater to two wheelers but should also be upgraded to cater to the needs of four wheelers that companies plan to launch.

Focus on Easy Credit Lending

Investment in Research and Development

Focus on Exports and Global Market

CHAPTER 6: -
CONCLUSION

CONCLUSION

Customers

- 16% respondents know two brands however 33% respondents know four brands
- 40% respondents prefer regular motorcycles however 26% respondents prefer step through's
- 28% respondents like stability at higher speed however 21% respondents like mileage
- 17% respondents collect money from auto loan however 19% respondents collect money through debit card
- 26% respondents mostly influenced by family members however 18% respondents mostly influenced by social factor
- 20% respondents have Hero Honda however 18% respondents have Bajaj
- 79% respondents replied yes that company should go for innovation in context to development of new bike
- 22% respondents replied that company should focus on less fuel consumption however 18% respondents replied that company should focus on stylish design
- 21% respondents replied that they like Hero Honda however 18% respondents replied that they like Yamaha

For dealers

- 100% respondents replied yes that they deal in two wheelers
- 22% respondents replied that mostly they deal in Hero Honda however 24% respondents mostly deal in Yamaha
- 23% respondents replied that Hero Honda is more demanding by customer however
- 21% respondents replied that Yamaha is more demanding by the customer

- 25% respondents replied that customer mostly demand for good quality two-wheeler however
- 20% respondents replied that mostly customer look for low fuel consumption
- 67% respondents replied yes that customers demand for low price vehicle
- 51% respondents replied yes that customer is ready to buy good quality two wheelers at any price
- 90% respondents replied yes that they prefer brand name
- 85% respondents replied yes that they consider after sale service

CHAPTER 7: -
BIBLIOGRAPHY

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CHAPTER 8: -
APPENDICES

QUESTIONNAIRE

For Customers

- Which company bike do you have?

Hero motorcorp Ltd

Bajaj

TVS

Yamah

- Which feature do you consider while purchasing a bike?

Brand

Mileage

Comfort

Designing

- Which marketing scheme of the hero attract you the most?

Special offer

Cash discount

Festival gift

other

- Which feature of the hero bike attract you the most?

Designing

Fuel efficiency

Price

Low maintenance