



Hero MotoCorp Ltd

INTERNSHIP REPORT

V.HANEESH CHANDRA | MBA | 10\07\2022

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Acknowledgement

A project is never the work of an individual. It is moreover a combination of ideas, suggestions, reviews, contributions and work involving many people. It cannot be completed without guidelines and assistance.

My sincere regards to MS. KRANTHI (Human Resource manager) for providing me with all the necessary information in completing this report.

I am also grateful to all other employees and staff of Prasad hero motors pvt ltd, who indirectly assisted me in successful completion of my project.

Lastly, my special thanks to my Mentor Dr. suraj velip, and all concerned faculty members for giving me the opportunity to undergo such a placement and their encouragement towards me in carrying out my project.

V.HANEESH CHANDRA

GOA UNIVERSITY

GOA BUSINESS SCHOOL

DECLARATION

I, V. Haneesh Chandra hereby declare that the following Internship project has been prepared by me under the guidance of Mrs. kranthi (Human resource manager) and my mentor, DR. suraj velip, Goa University, Goa Business School, programme (MBA).

V.HANEESH CHANDRA

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Introduction

ABOUT THE COMPANY

Hero MotoCorp is India's leading two wheeler company, which has been providing customers with an excellent range of two wheelers that ensure both style and comfort. The story of Hero MotoCorp can be traced back to the vision of a mobile and empowered India, powered by its two wheelers. Today, Hero MotoCorp has made it its mission to become the best two wheeler company, not only in India but globally by setting benchmarks in style, performance and technology

PRASAD HERO MOTORS:

Prasad hero motors pvt ltd, is situated at Hyderabad (Telangana, gachibowli), it is in a prime location and always busy cause it is the only hero sub dealer showroom in around 10 to 15 kms

INDUSTRY ANALYSIS

PORTERS 5 FORCES ANALYSIS

- 1. THREAT OF SUBSTITUTE PRODUCTS AND SERVICES** - If the threat of substitute is high then Hero MotoCorp has to either continuously invest into R&D or it risks losing out to disruptors in the industry.

- 2. BARGAINING POWER OF BUYERS OF HERO MOTOCORP** – If the buyers have strong bargaining power then they usually tend to drive price down thus limiting the potential of the Hero MotoCorp to earn sustainable profits.

- 3. BARGAINING POWER OF SUPPLIERS OF HERO MOTOCORP** - If suppliers have strong bargaining power then they will extract higher price from the Hero MotoCorp.

- 4. THREAT OF NEW ENTRANTS** - if there is strong threat of new entrants then current players will be willing to earn less profits to reduce the threats.

- 5. RIVALRY AMONG EXISTING PLAYERS** – If competition is intense then it becomes difficult for existing players such as Hero MotoCorp to earn sustainable profits.

PESTEL

POLITICAL:

Government promoting loans taken to purchase EV's through tax deductions.

Fame India scheme II for the faster adoption of electric mobility.

ECONOMICAL:

Average family and disposable income rising despite families being nuclear.

Emerging markets EM's to lead economic growth through short term volatility in India and other developing markets remains.

Favourable credit scenario to drive growth.

India on track to grow to a \$5Tn economy by 2025.

SOCIAL:

Increasing preference for personal mobility.

Increasing people's preference for premium vehicles.

TECHNOLOGICAL:

Technological advancements driving development of electrical vehicles.

Leveraging digitalization in auto mobile industry.

LEGAL:

Safety regulation systems and policies.

Emission control and regulation policies.

ENVIRONMENTAL:

Focus on sustainability in operations.

Organizations increasingly conscious about carbon foot print they leave.

COMPANY ANALYSIS

SWOT ANALYSIS

❖ STRENGTHS

Hero MotoCorp enjoy various competitive advantages and strengths that has contributed to its success and immense growth for more than three decades.

- **BRAND RECOGNITION:** Brand and brand trust plays a huge part when purchase decisions are made by consumers. Hero MotoCorp is a strong brand which is synonymous with reliability and fuel efficient two wheelers. According to The Brand Trust Report published by Trust Research Advisory, the conglomerate surged 223 places to rank 33 as one of India's most trusted brands in 2018. It was ranked 6 in the automobile category, the highest of any Indian two wheeler manufacturer in the shortlist.
- **EXTENSIVE DOMESTIC NETWORK:** Hero MotoCorp has over 6,500 dealerships and service points across India. The large number of service points has allowed it to roll out its Express Service scheme, where it strives to service a customer's vehicle within 60 minutes.
- **STRONG GLOBAL PRESENCE:** Ever since the termination of the joint venture between Hero Group of India and Honda of Japan, Hero MotoCorp began to establish its global footprint. As of late 2018, its two wheelers are being sold in over 37 countries and has 8 manufacturing plants in 3 countries.

- **LARGE PRODUCT PORTFOLIO:** Not only does Hero MotoCorp provide a large variety of two wheelers, it is moving rapidly alongside current market trends as well. In late 2016, it made its first venture into the electric vehicle market by investing in a Bangalore-based tech manufacturer, Ather Energy. It has a rich and diversified portfolio targeting different segments. For example, the XPulse series is catered towards the international consumer and the Xtreme series is targeted at the growing premium motorcycle segment.

❖ WEAKNESSES

Despite its strong domestic presence and large market, Hero MotoCorp still have some weaknesses that can threaten its growth and future.

- **POOR GENDER DIVERSIFICATION:** As of late 2018, Hero MotoCorp had only 256 female employees out of 8266. Although the figure has tripled from a mere 1% in 2014, much more still can be done to address the gender inequality and diversification.
- **GLOBAL EXPORTS:** Despite having a gargantuan market share domestically, Hero MotoCorp is still largely focused on India. In 2017, only 12% of the units sold by all two wheeler manufacturers in India contributed to exports. This is greatly eclipsed by China, which had exported more than 46% of units sold, more than 4 times the amount. As more competitors are looking to jump on the two wheeler market in India, it would be unwise for the company to solely focus on its home ground.
- **DECLINING SERVICE QUALITY:** In a study conducted by the International Journal of Innovative Research in Science, Engineering and Technology in 2015, the overall service quality for Hero MotoCorp fell below expectations of end consumers. According to the study based using

SERVQUAL model of service quality, Bajaj Auto, one of its closest competitors, was deemed to have better overall service and appeal.

❖ OPPORTUNITIES

- **JOINT VENTURES AND ACQUISITIONS:** Despite the terminated joint venture with Honda Japan, it is crucial to note that for many years, technology in its two wheelers came from Honda. By acquiring start-ups or going into joint ventures will allow the conglomerate to obtain more valuable technology and tap into other market segments. A good example is its 49.2% stake buyout of Erik Buell Racing, which allows Hero MotoCorp to synergize motor technologies and extend sales into the North American market.
- **ELECTRIC TWO WHEELERS:** The electric bike and scooter market is booming globally and it would be an opportunity for Hero MotoCorp to leverage on. The e-bike market is expected to reach about 24.3 billion U.S. dollars by 2025. According to Prescient and Strategic Intelligence, the electric scooter and motorcycles market in India alone will surge past \$617.7 million by 2025.

❖ THREATS

- **STRONG COMPETITION:** Hero MotoCorp faces strong competition domestically despite its strong foothold in India. The two wheeler market in India is very competitive and is dominated by three other major players, TVS Motors, Honda, and Bajaj Auto. In 2012, Honda launched made-in-China two wheelers which are priced lower than equivalent cost-efficient models. Honda has been expanding aggressively since the joint venture was

terminated in 2010. It began enticing Hero dealers to join the Honda network under its subsidiary in India, Honda Motorcycles and Scooters India Pvt. Ltd (HSMI). Similarly, TVS Motors has collaborated with BMW to establish its presence in the premium motorcycle market in direct competition with Hero's Xtreme series. Competition will continue to remain strong as India is an extremely large market to delve into.

- **PUBLIC TRANSPORT INFRASTRUCTURE:** The government of India is striving to improve on its public transport infrastructure. Projects such as the National Highways Development Project (NHDP) under the ambitious Bharatmala Pariyojana will add on more than 80,000 km of highways in India. In early 2019, India's Union Minister Nitin Gadkari announced that India's public transport will be based on the London model with an MoU with Transport for London (TFL) being signed in the previous year. Government initiatives will definitely reduce the demand for automobiles if public transport becomes more reliable.

VRIO ANALYSIS

Resources	Value	Rare	Imitation	Organization	Competitive Advantage
Position among Retailers and Wholesalers – company name retail strategy	Yes, firm has strong relationship with retailers and wholesalers	Yes, it has dedicated channel partners	Difficult to imitate though not impossible	Yes, over the years company has used it successfully	Sustainable Competitive Advantage
Pricing Strategies	Yes	No	Pricing strategies are regularly imitated in the industry	Yes, firm has a pricing analytics engine	Temporary Competitive Advantage
Opportunities in the Adjacent Industries	Can be valuable as they will create new	No	Can be imitated by competitors	All the capabilities of the organization	Has potential

Resources	Value	Rare	Imitation	Organization	Competitive Advantage
es & New Resources Required to Enter those Industries	revenue streams			are not fully utilized yet	
Track Record of Leadership Team at company name	Yes	Yes	Can't be imitated by competitors	Yes	Providing Strong Competitive Advantage
Brand Positioning in Comparison to the Competitors	Yes	No	Can be imitated by competitors but it will require big marketing	Yes, the firm has positioned its brands based on consumer behavior	Temporary Competitive Advantage

Resources	Value	Rare	Imitation	Organization	Competitive Advantage
			budget		
Access to Critical Raw Material for Successful Execution	Yes	Yes, as other competitors have to come to terms with firm's dominant market position	Can be imitated by competitors	Yes	Providing Sustainable Competitive Advantage
Brand awareness	Yes	Yes, Hero Moto Corp has one of the leading brand	No	Hero MotoCorp has utilized its leading brand position in various	Sustainable Competitive Advantage

Resources	Value	Rare	Imitation	Organization	Competitive Advantage
		in the industry		segments	
Supply Chain Network Flexibility	Yes	Yes	Near competitors also have flexible supply chain and share some of the suppliers	Fully utilized	Keeps the businesses running
Product Portfolio and Synergy among Various Product Lines	Yes, it is valuable in the industry given the various segmentations & consumer	Most of the competitors are trying to enter the lucrative	Can be imitated by the competitors	The firm has used it to good effect, details can be found in case exhibit	Provide short term competitive advantage but requires constant innovat

Resour ces	Value	Rare	Imitat ion	Organi zation	Compe titive Advan tage
	preferen ces.	segme nts			ion to sustain
Talent to Manage Regulat ory and Legal Obligat ions	Yes	No	Can be imitat ed by compe titors	Yes	Not critical factor

Service marketing mix

1. PRODUCT STRATEGY

Although Hero Honda has been correlated with many two-wheelers like the Splendor Pro, Karizma, Passion Pro, Hunk, Glamour, and Glamour F1. The corporation under its name, Hero MotoCorp brought their first bike called Hero Impulse in the market in November 2011.

The next year they brought some improved products in the market that had improved mileage and drivability alongside improved power.

1. Strong product portfolio
2. Offer great freedom of choice thereby satisfy customers by the wide range of product
3. Continuous improvement of operational efficiency
4. Bring Revolution in technology

2. PRICE STRATEGY

So the company follows a competitive and value-added pricing approach. They have to emphasize qualitative products but still, it has kept the prices reasonable and affordable. The pricing is done keeping in mind all the different sectors of society.

They are proud that they are among very few companies in India who believe in passing cost advantage to their customer, which plays a very vital role in gaining the trust of their customers.

As we are talking about hero MotoCorp, they do keep up with the higher standard of performance.

- 1. COMPETITIVE PRICING APPROACH**
- 2. VALUE-ADDED PRICING APPROACH**
- 3. EFFICIENT DISTRIBUTION NETWORK**
- 4. EXCELLENT TARGET PRICING STRATEGY**

3. PLACE STRATEGY

As we all know, of all showrooms in India you can easily find them. Hero MotoCorp has made itself available in every possible location. with having a two-wheeler for every niche of society they are available to every distinct place.

They have made a network for sales and services with a minimum of 6000 dealerships at most of the service points in different parts of the country. It also has dealer-appointed retail outlets at all relevant and strategic places.

With a contract with the Honda Group, Hero Moto crop can penetrate markets of Latin America, Africa, and West Asia. It can also take the help of any vendor at its will. In 2014, Hero revealed its plans to penetrate Bangladesh's market.

1. Distribution outlets are primarily showrooms
2. Channelized distribution in the urban and rural market
3. Largest dealership network
4. Venturing into newer markets

PROMOTION:

Promotion Mix or Integrated Marketing Communication strategy is a mix of various promotion tools that are at disposal of Hero MotoCorp. They are – **Advertising, Sales Promotion, Personal Selling, Public Relations, and Direct Marketing.**

5C OF MARKETING:

- 1 - Company,
- 2 - Customers,
- 3 - Competitors,
- 4 - Collaborators, and
- 5 - Context.

Hero MotoCorp faces 4 major types of risk exposures – risk corresponding to technological innovations, demand risks, production or delivery risks, and international risks.

COMPANY FACTORS:

BRAND EQUITY – Hero MotoCorp has strong brand equity both among the existing customers and potential customers. It can leverage this brand equity to expand into new segments.

RESEARCH AND DEVELOPMENT SPENDING – As a leader in various product segments, Hero MotoCorp spends significant amount of resources on research and innovation in field of – product design, process optimization, marketing strategies, and building IT network to support all the promotion and distribution strategies.

FINANCIAL POSITION AND AVAILABILITY OF RESOURCES FOR MARKETING – The financial position of Hero MotoCorp is strong and it can afford to spend significant amount of resources on marketing for – launching new products and to better position existing brands.

ABILITY TO SCALE PRODUCTION – Hero MotoCorp has a robust and flexible supply chain so it can meet the challenges of managing success arising from highly successful marketing efforts that lead to surge in consumer demands for its products.

CUSTOMERS FACTORS:

WHO THE TARGET CUSTOMER IS – Should Hero MotoCorp go for a broader segment or position its product in niche segment. My suggestion is that it should focus on the niche segment as it is highly profitable.

WHAT TYPE OF PRODUCT HERO MOTOCORP IS SELLING – High involvement product or low involvement product require different marketing strategies. High involvement products often have higher brand loyalty and less price sensitivity compare to low involvement products where industry players often compete on prices.

WHAT IS THE LEVEL OF BRAND AWARENESS AMONG TARGET SEGMENT AND GENERAL POPULATION – The brand awareness among the target segment and among wider population is high. Hero MotoCorp can leverage on it to build sub brands for niche segments within the target market and adjacent segments.

WHAT IS MARKET SIZE OF THE SEGMENT THAT HERO MOTOCORP WANTS TO TARGET – I believe the market size will grow at a steady pace and it will present various opportunities to expand into adjacent segments.

WHAT ARE THE FEATURES MOST DESIRED BY CONSUMERS – Marketing managers at Hero MotoCorp needs to decide which are the features

most desired by consumers and how Hero MotoCorp can position itself to deliver those 2-3 critical features.

COMPETITORS FACTORS:

THREATS OF SUBSTITUTES TO HERO MOTOCORP – The threats of substitutes often arise either from economic cycle or technological innovation. It may require repositioning of certain brands on part of Hero MotoCorp in certain markets.

THREATS OF NEW ENTRANTS TO PROFITS OF HERO MOTOCORP – Marketing efforts are often barriers to entry in the industry and new entrants not only have to have huge marketing resources to compete with the incumbents but also need high level of marketing knowhow.

What will drive future growth and how competitors will try to take share of that future growth – technology innovations can result in making present positioning less profitable so Hero MotoCorp needs to continuously innovate and look for new opportunities.

COUNTERING MARKETING CAMPAIGNS OF COMPETITORS – Often one competitor campaign has to be matched with a counter campaign to stop the product trial of the competitor's product by the firm loyal customers. It has to be done to control the churn of customers.

PRODUCT LINE BREATH DECISIONS – This not only pertains to Hero MotoCorp product strategy but also its distribution and supply chain

management strategy. Broader line requires more positioning strategies and higher marketing spending.

POSITIONING STRATEGY VIS A VIS COMPETITOR – The critical marketing decisions for managers at Hero MotoCorp is what strategic position to choose which at same time is – different from competitors and relevant to the customers.

PRODUCT LINE DEPTH DECISIONS FOR HERO MOTOCORP – Depth involves targeting different segments within the same product range. Higher the depth, the more the company needs to spend on individual brands without putting too much focus on the parent company.

INTENSITY OF RIVALRY AMONG EXISTING PLAYERS – if the intensity is high then the profitability is usually low in any industry. Thus it requires Hero MotoCorp to spend higher resources on marketing efforts.

COLLABORATORS FACTORS:

POSITION AND BARGAINING POWER IN THE VALUE CHAIN – If the collaborators have strong bargaining power then Hero MotoCorp will not able to sustain higher margins even with higher marketing expenditure.

RISKS TO INTELLECTUAL PROPERTY RIGHTS AND PATENTS – Operating in international markets can expose Hero MotoCorp to theft of Patents, Copyrights and other Intellectual Property Rights. Any marketing and diversification decision should be taken after evaluating these risks.

MANAGING DELIVERY AND SERVICES IN TIMES OF

UNCERTAINTY – Most global organizations such as Hero MotoCorp are diversifying rapidly to reduce delivery and supply chain risks. Hero MotoCorp should also focus on it.

NUMBER OF SUPPLIERS AND ABILITIES OF THE SUPPLIERS – If there are too many suppliers then it will become expensive for Hero MotoCorp to manage them but if the number of suppliers is too few then it will expose the company to supply chain disruption risks.

FLEXIBILITY OF SUPPLY CHAIN AND INTERNATIONAL RISKS – In international markets the critical question in front of Hero MotoCorp is how much localize based on local preferences. Rest of the decisions from production to marketing is based on this critical decision. Opportunities to localize the production and other processes to reduce risk of organization wide supply chain risk in international market.

CONTEXT FACTORS:

REGULATORY FRAMEWORK – It not only impacts the type of the advertising and marketing campaign a company can run but also the type of products Hero MotoCorp can sell. For example, the standards & regulations for Hero MotoCorp products in US and European Union are vastly different.

INFLATION & DIVERSIFICATION – Inflation impacts the pricing strategy of Hero MotoCorp as high inflation can result in lower income from the present sales.

POLITICAL RISKS TO HERO MOTOCORP – Geo-political risk has increased over the last three to four years with developments such as US-China trade situation, Brexit, and rise of yellow vests in France.

EMPLOYMENT – Given the employment crisis in Western Europe and emergence of Gig economy and employment in US and all the major western economies – employment has become a critical factor in designing marketing strategy.

Employment not only impacts the purchasing power of the customer but also impacts the self-esteem and brands she can associate with.

FOREIGN EXCHANGE EXPOSURE – International operations not only bring risks of marketing strategies that are not relevant to specific market but also risk of foreign exchange exposure. In last 10 years most US organizations have lost money because of FX exposure in countries such as Venezuela, Argentina, Turkey, Russia & Indonesia.

ECONOMIC – The consumer behavior during boom time and recession time is often totally different so marketing managers at Hero MotoCorp has to decide how the consumers will behave in the present economic situation.

WORK DONE

WORKED IN SALES AND HUMAN RESOURCE MANAGEMENT DEPARTMENTS:

SALES: worked in sales department for 20 days, did sales calls to customers and organisations about new models prices, offers and feedback of the product and services.

Making new customers and letting them know that there is a showroom and service centre near them which will provide the best product and services.

Explaining to the customer about the vehicles features, models and offers, influencing customers to buy the product.

SPAREPARTS:

- worked in spare parts for 20 days, calling customers who gave order for parts, and also taking note of the new parts orders.
- Allocating parts to the mechanics according to the job card needs, if the mechanics need a part immediately calling nearby dealers to check and order the parts.
- Maintaining inventory taking note of the parts code and ordering needed parts to maintain the stock, arranging the parts according to their serial number for easy allocation of parts.
- Dealing with spare parts related queries.

HUMAN RESOURCE:

- Worked in human resource department for 20 days, recruiting mechanics, checking their skill, and attitude toward the company, making sure all mechanics are coming on time and leaving on time and their productivity during work hours.

- Making sure their pay is according to their skill, and whether they are getting paid on time.
- Calling other hero sub dealers and dealers for stock, cost negotiation and maintain good relation with them.
- Talking to customers and creating a goodwill with them so that they may bring more buyers.
- Solving any issues with mechanic's and other department staff(internal)
- Making sure the customers who give bikes for service are receiving on time with full job done and dealing with aggressive customers.

LEARNINGS

- Importance of maintaining relations, with your potential and frequent customers.
- How to assist a customer to buy a vehicle, which will fulfil his needs.
- Explaining all details needed for the purchase of bike.
- Learned about vehicle features and pros and cons of the vehicles(hero).
- Maintaining inventory and arranging the parts according to the serial number.
- Learned how to speak to the mechanics and deal with their issues
- Learned how to maintain good relation with the staff and also getting the work done.
- Learned how to speak to an aggressive customer, and taking immediate action if the customer needs anything.



PRASAD MOTORS

Plot No. 25, Telcom Nagar, Gachibowli, Hyd. A.P.
Ph (W/S) : 23000040, Fax :(SR) 23000041



Authorised Spares & Service

10th July 2022

TO WHOMSOEVER IT MAY CONCERN

This is to certify that MR. HANEESH CHANDRA VADLAMUDI, has undergone first year Internship at PRASAD HERO MOTORS PVT LTD Hyderabad, in the human resource and sales department with effect from 14th may 2022 to 10th July 2022.

During his training period, we found him to be honest, sincere and displayed a keen desire to learn.

We wish him all the best for the future.

PRASAD HERO MOTORS PVT LTD



human resource manager.

