



# COMPREHENSIVE PROJECT REPORT ON A STUDY ON CUSTOMER SATISFACTION ON HERO MOTOCORP

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## CHAPTER -1 INTRODUCTION

### INTRODUCTION

Hero MotoCorp Ltd. (Previously Hero Honda Motors Ltd.), headquartered in India, is the largest two-wheeler manufacturer in the world. In 2001, the firm became the biggest producer of motorcycles in India, and the company with the highest annual unit sales volume in the entire world. To this day, Hero MotoCorp Ltd. remains in this leading position.'

Hero MotoCorp's two-wheeled vehicles are produced at three of the most prestigious manufacturing sites in the world. Two of these are located in the northern Indian state of Haryana, in the cities of Gurgaon and Dharuhera. The third and most recent production facility is located in Haridwar, Uttarakhand, a mountainous state.

In the 1980s, the Firm was a pioneer in introducing fuel-efficient, environmentally friendly four-stroke bikes to the United States. It was the first business to introduce the Fuel Injection (FI) technology to Indian bikes with the June 2006 introduction of the Glamour FI.

Its plants use equipment and procedures of the highest calibre and have set a benchmark for leanness and productivity. In an effort to maintain its technological leadership, Hero MotoCorp will continue to innovate and develop cutting-edge goods and procedures. Hero MotoCorp provides an extensive selection of two-wheeled vehicles, including motorcycles and scooters, and has established industry standards across all market sectors. Growth in the Company's Indian two-wheeler industry can be attributed to the firm's innate ability to enter and thrive in new geographies and dynamic markets. The wide sales and servicing network of Hero MotoCorp now includes over 5000 client touchpoints. They are a combination of authorised dealerships, service & spare parts outlets, and dealer-appointed outlets located around the nation.

The time has come for the new Hero to take centre stage on the international stage. The new name, "Hero MotoCorp Ltd.," underscores the firm's strategy to increase its focus on mobility and technology while

expanding its presence around the world. All of its efforts, including its significant presence in sports, entertainment, and local community participation, will revolve around developing and promoting a new corporate identity.

17.44 percent gain in total unit sales to 54,02,444 motorcycles

Overall net operational income of Rs. 19401.15, a 22.32 percent increase  
After-tax net profit of Rs. 1,927.90  
Cores

Total dividend of 5,250% or Rs. 105 per share, including Interim Dividend of Rs. 70 per share on face value of each share of Rs.

EPS of 96.54 rupees

Hero Motocorp Ltd, formerly Hero Honda, is an Indian manufacturer of motorcycles and scooters headquartered in New Delhi. 1984 saw the beginning of Hero Honda, a joint venture between Hero Cycles of India and Honda of Japan. The firm is India's largest manufacturer of two-wheeled vehicles. Hero Honda Motors is placed number 108 on the 2006 Forbes 200 Most Respected Companies list.

In 2010, when Honda opted to withdraw from the joint venture, Hero Group purchased Honda's shares. Hence, in August 2011 the corporation adopted a new corporate brand and a new name: Hero MotoCorp. Hero Motocorp approved a request to incorporate Hero Investment Pvt. Ltd., the investment arm of its parent company, on June 4, 2012. The decision follows 18 months of separation from Honda Motor.

## **CUSTOMER SATISFACTION**

Society is diverse in every respect. From a theoretical perspective, we observe this among customers, marketers, producers, and even CUSTOMER SATISFACTION.

The study of customer satisfaction enables marketers to predict customer happiness in the market and to comprehend the function consuming plays in individuals' lives.

The pursuit, acquisition, utilisation, evaluation, and rejection by consumers of goods, services, and concepts that fit their needs are all components of the concept of consumer satisfaction. Customer Satisfaction research is concerned not just with what people purchase, but also with what they purchase. Before the purchase, during the buy, and after the purchase are included. Consumer satisfaction is the study of how, what, when, and why individuals make purchases. If attempts are made to comprehend the buyer decision processes/buyers' decision making process, demographic, psychographic, and behavioural characteristics can be used to comprehend people's desires.

How people choose to spend their money on consumables is a major question in the field of customer satisfaction research. It involves looking into the who, what, when, where, and why of their purchases.

The origin of customer happiness as a separate marketing discipline can be attributed to a number of interrelated elements. After the market researcher started looking at how people actually spent their money, they saw that not everyone used the same products even though the "me too" movement had permeated the fashion industry. Ultimately, students enrolled in a marketing course are looking to better understand the thought processes that go into their

purchasing decisions. Marketers can use these details to develop more fruitful approaches to promotion.

Consumer researchers are curious on people's discard habits in addition to their purchases, usage, and post-purchase assessments.

### **What is the definition of Customer Satisfaction?**

- A company's most valuable asset is its customers. Cash flow, the lifeblood of any business, is significantly enhanced when customers pay their invoices promptly.
- What a customer expects from a product or service is comprised of their wants, needs, and aspirations for the offering in question.
  - Customer experience of a product or a service is so diverse so it hard to determine.
  - Client pleasure cannot be considered in isolation.
- A client may be satisfied with a product or service and, as a result, rank it highly in a survey; but, the same customer may purchase a different product.
- Similarly, customer perceptions of a product and service are ineffective if customer perceptions of competitors' products are not comprehended.

### **DIFFERENT KINDS OF CUSTOMERS**

There are two primary customer types.

(1) External Customer

(2) Internal Client

Customers External to the Organization: Are persons, departments, units, and groups within the company served by our work?

Customers internal to the organisation include depositors, debtors, investors, etc.

### **WHY CUSTOMER COMPLETENESS IS IMPORTANT**

The client is the leader of the market. The customer determines market direction and trend. Satisfied customers will assist bring in new customers through "word of mouth."

The majority of a business's success depends on the client, not the other way around.

### **FACTOR AFFECTING OF CUSTOMER SATISFACTION**

Internal causes and external environment elements can be distinguished as influences on consumer satisfaction. External influences do not directly influence the decision-making process; rather, they influence the process indirectly through the individual determinants.

#### **Individual factors that affect consumer happiness include:**

Motivation and participation Attitudes

Personality and sense of self Information systems Learning and retention

#### **The external elements or influences are:**

Cultural influence Sub-cultural Influence Social class influence Personal influence Family impact

### **TOOLS TO STUDY CUSTOMER SATISFACTION**

It is essential for marketers to routinely examine buyer behaviour. The various options available to him or her include:

(1) **Surveys:** This is the most prevalent method for determining consumer satisfaction. It includes the utilisation of questionnaires. Several scale methods, such as Likers and Thurston, are utilised to assess consumer attitudes. The difficulty with survey technique is that it provides the marketer with only the customer's conscious responses.

(2) **Projective Techniques:-**

The use of projective techniques, such as word association, picture association, and thematic appreciation tests, has been implemented in order to throw off the customer's conscious level and discover sub-conscious answers. This provides essential information about his or her product or brand, as well as the lifestyle and self-concept of the buyer.

(3) **Talks in Focus Groups:**

It's another qualitative method for discovering how consumers feel about and employ a product. In addition, it gives the marketer essential data about the demographics of the target audience.

## **LEVELS OF CUSTOMER SATISFACTION**

Primarily, there are three categories of consumer satisfaction.

- Necessary Needs ( Dissatisfies)
- Performance Essentials (Satisfies)
- Excitement Requires ( Delighters)

### **Basic Needs:**

- o A service that is taken for granted by the consumer. He anticipates its presence in the product.
- o The absence of this demand will result in customer discontent, while its presence will not result in any satisfaction.

### **Performance Needs:**

- o The customer expressly requests the client's needs and desires.
- o This variable becomes the standard for competitive markets.
- o The greater the performance, the greater the client satisfaction.

**Requirements for Excitement:** It results in a very high level of client pleasure or delight. A delighter is an unanticipated need of a customer.

## **SALES PROMOTION**

Increasing sales requires marketing professionals to study consumer preferences, distribute their wares to retail outlets, and promote their products through various channels. It's the foundation for effective marketing, effective internal communication, and progressive corporate action. It's a methodical procedure by which companies gain loyal clientele and provide benefits to their customers and the public.

Marketing is utilised to locate customers, satisfy customers, and retain customers. Marketing management is one of the most important aspects of business management since its actions are centred on the client. In the previous two to three centuries, marketing has changed in response to the stagnation in generating new markets caused by mature markets and overcapacity. In order to maintain profitability, firms must employ marketing strategies that direct their focus away from production and towards the needs and wants of their target demographic.

Understanding the needs and wants of one's target market and satisfying those needs is central to the marketing concept, which in turn is fundamental to the achievement of an organization's goals. This theory proposes that in order for a company to succeed, it must foresee the needs and wants of its target market and satisfy those needs and wants more efficiently than its rivals.

Advertising, personal selling, publicity, and direct marketing are all subsets of the broader category of sales promotion, which also includes incentive-offering and interest-generating activities. "The objective of sales promotion is to stimulate, motivate, and influence clients' purchasing decisions and other desirable behaviours."

Sales promotion provides a direct encouragement to purchase by adding value to the product beyond what is normally included. These short-term incentives are typically supplied just when and where a purchase is being considered. In today's cutthroat marketplace, sales promotions are not only common, but also multiplying. These advertisements serve as direct inducements. Despite their simplicity, sales promotions are a rich marketing tool with countless creative options that are limited only by the imagination of promotion planners. Common terms for sales promotion include 'additional purchase value' and 'below-the-line selling'. Currently, businesses in practically every industry provide some form of promotion programme. The automotive and beverage industries, the finance and food sectors, the domestic goods and services sector, the business products and services sector, the personal care and textile and garment sectors, and so on.

## **OBJECTIVES OF SALES PROMOTION**

The majority of the five key promotional objectives described in the promotion decision tutorial are attained through sales promotion.

- Increasing product awareness – When a new product is being introduced to the market, there are a variety of sales promotion tactics that can play a pivotal role in getting the word out. In addition to raising product awareness, many sales promotion tactics also collect valuable customer data at the point where it is most useful: during the campaign itself. Hence, sales promotion can be a useful tool for collecting client data. (i.e., sales lead generation), which can subsequently be incorporated into subsequent marketing activities.
- Generating interest - Marketers have faith in the power of sales promotions to raise awareness and demand for a product. Curiosity generation is often cited as the single most important sales marketing function. In the retail industry, attractive sales promotions can considerably increase store foot traffic. Similar strategies can be utilised by Internet marketers to increase the number of website visitors. Inviting people to sample a product is a crucial method of generating interest. A number of sales marketing strategies allow clients to trial things for free or at a cheap cost.



- Delivering information - In most cases, the goal of a sales campaign is to encourage clients to make a purchase, rather than to inform them. Several of these sales efforts really educate consumers about the products they're selling. A promotion might, for instance, provide a free trial of a premium online service for a set number of days. A side effect of this free service maybe receiving promotional emails about our offerings.
- Stimulating demand – After raising consumer awareness of a product, sales promotion's second most critical role is to encourage product purchases. Sales could be boosted through limited-time offers, especially those that lower the total cost of ownership for the client (such a price cut).
- Reinforcing the brand - once a buyer has made a purchase, a sales offer can be used to drive subsequent purchases and as a loyalty incentive (see loyalty programmes below). Several firms, including airlines and retail stores, offer special promotions to "preferred" or "loyal" customers, such as email "special deals" and price reductions at the register.

## **CLASSIFICATION OF SALES PROMOTION**

You may classify sales campaigns by who they're primarily aimed at reaching.

- Consumer market focused - Direct marketing to consumers is one of the most well-known forms of advertising. Customers are bombarded with sales ads on a daily basis; as we'll see, many of them have learned to wait for discounts before making purchases.
- Trade market directed - Business-to-business (B2B) marketers use sales promotions to reach all clients, including those in the distribution chain. Marketers employ trade promotions to convince channel members to stock their items, and once the products are stocked, they use promotions to strengthen the channel connection.
- The business-to-business sector is targeted by a modest but significant portion of sales campaigns. Although b-to-b advertisements may lack the glitter of consumer or trade promotions, they are utilised in a variety of businesses.

Our sorts of sales promotion guide contains a thorough overview of the many types of promotions applicable to each group.

## **FUNTION OF SALES PROMOTION**

Sales promotion is a short-term marketing technique with a specified objective. The goal of a sales promotion, in contrast to advertising, is to create an impression of urgency in order to prompt immediate purchase or use. A sales promotion may consist of a short price drop or an advertising campaign to introduce a product.

## **PRODUCTION DIFFERENTIATION**

When you employ sales promotion tactics, your products stand out from the competition. This is useful if your products are similar to those of the competition in terms of features and benefits.. Offering a product at a slightly lower price for a limited time is a common strategy for increasing its visibility.

## **CREATE CUSTOMERS**

During periods of sluggish sales, promotions are implemented to attract clients. If you sell a seasonal item, like barbecue grills, offering a 50% discount in the dead of winter may encourage clients to make a purchase when they wouldn't have otherwise considered doing so.

## **INCREASING MARKET SHARE**

Sales promotions can lead to an increase in the manufacturer's market share. It is conceivable that the promotion will enhance your sales by stealing customers from your competition. As a result, your market share will rise while that of your competitors will fall.

## **NEW PRODUCT INTRODUCTION**

Retailers might debut a new product through sales promotions. By giving the new product at a lower price and displaying a sign that reads "new item," they can convince people to give it a try. A similar "reduced for rapid sale" sign can be placed in front of a slow-moving product in the same category to encourage its quick sale. This method keeps products in the category tasting and looking new longer while making use of otherwise wasted storage space.

## **INVENTORY CONTROL**

By allowing them to stock up on large quantities at a price, sales promotions help merchants avoid stock-out emergencies. This can be especially useful for retailers with products that are in high demand and difficult to stock.

## **TOOLS OF SALES PROMOTION**

To increase the sale of a product, manufacturers and producers employ a variety of strategies, including free samples, gifts, and bonuses. These are known as sales promotion tools, strategies, or methods. Tell us more about some of the most prevalent sales promotion tools.

(i) One may have received free samples of shampoo, laundry detergent, coffee powder, etc., while making purchases at the market. Even if a customer doesn't make a purchase, the store may still give out these freebies.

They are sent out to the public in an effort to increase product awareness and sales. To increase awareness of

their goods, some entrepreneurs hand out free samples to select customers. Free samples of medicine, for example, are sent to doctors, and free copies of textbooks are given to teachers.

(ii) Special bonus or deluxe package: one kilo of coffee with a milk shaker filled with NESCAFE, a cup of Bournvita, a toothbrush and 500 grammes of toothpaste, and an extra 30% savings. Below are some examples of extras that come at no extra cost when you buy this product. They work really well to persuade customers to buy a given product. This helps with client loyalty and appreciation.

(iii) The term "exchange scheme" refers to the method of trading in an older model for a brand new one at a price that is lower than the original purchase price. Improvements to the product can be more easily brought to light in this way. Such schemes include "bring your old mixer- cum-juicer and pay Rs.500 to replace it for a new one" and "exchange your black-and-white television for a colour television."

According to this deal, items are being sold at a discount from their regular price. Examples of common schemes include "RS 2 off the purchase of a Lifebouy soap, RS 15 off the purchase of a box of 250 grammes of Taj Mahal tea, RS 1000 off the purchase of a cooler," and so on. Off-season or during the introduction of a new product, sales might be boosted with the help of such a programme.

(iv) Coupons: Manufacturers will often provide coupons for a discounted price on a product's box, in a magazine ad, or in a direct mail piece. You can redeem these coupons at checkout. The person holding the voucher is entitled to a price reduction on the items being sold. It's possible you've seen advertisements for deals like "show this and save Rs. 15 on your purchase of 5 kg of Annapurna atta." The sale's low prices are sure to attract plenty of customers.

(v) tradeshows and festivals Local, regional, national, and even international events might host fairs and exhibitions to showcase and educate the public about novel products and services.. Products are showcased and displayed before being sold at a fair price. As an illustration of the effectiveness of trade shows as a kind of advertising, consider the 14th to the 27th of November, when New Delhi hosts its annual "international trade fair" at pragati maidan.

The Purpose of Advertising Retailers use sales promotions to encourage customers to buy more of their products and to develop a preference for their brand. The dentsu group offers its clients a number of information technology-based campaign promotion methods, as well as the advantages of its proprietary databases and survey methods, and it integrates all of these capabilities to produce influence that extends from the formation of the consumer's perception of the brand to the encouragement of actual retail purchases.

The company's sales promotion solutions include e-promotions, retail promotions, customer relationship management (crm), and direct response in addition to more traditional sales promotion tactics, mass advertising, innovative creative materials, and a wealth of high-power content. Our "power promotion design" method for creating effective and efficient cross-media campaigns is the result of merging mass media with sales promotion.



## INDUSTRY PROFILE

The automobile industry in India has long been used as a barometer of the country's overall economic well-being because of the significant role it plays in driving both broad economic growth and innovative new product development. Young people make up a sizable chunk of India's population and the country's rising middle class, both of which have spurred demand for two-wheeled automobiles. Also, the sector grew because more corporations looked into the potential of serving customers in rural areas. Industry leaders in logistics and passenger transport are driving the demand for commercial vehicles. The electrification of cars, especially three-wheelers and small passenger autos, is seen as a key factor in the continued growth of the market.

Since it produces more tractors than any other country, more buses than any other, and more heavy trucks than any other country, India commands a substantial share of the global heavy vehicle industry. India produced 22.93 million automobiles in fiscal year 22.



The automotive sector in India is massive. According to data gathered by IBEF (India Brand Equity Foundation). Manufacturing accounts for 7.1% of GDP contribution (GDP). Two-wheeled vehicles have an 81% share of the Indian auto market because of the country's expanding middle class and young population. A further factor in the industry's growth was companies' growing curiosity about opportunities in rural areas. The PV industry accounts for 13% of the total market.

Automobiles are another popular export from India, and this trend is only expected to accelerate in the coming years. Exports of Commercial Vehicles grew by 18.36% from April 2016 to January 2016 compared to the same period in 2015. Moreover, by 2020, it is expected that the Indian government and the leading automotive manufacturers on the Indian market would have implemented a number of initiatives that will position India as a global leader in the Two Wheeler (2W) and Four Wheeler (4W) industries.

### TRENDS AND FUTURE AUTOMOBILE INDUSTRY

There will be a shakeup in how businesses adapt to changes in consumer behaviour, build partnerships, and effect radical transformation as a result of technological developments. The substantial changes in today's

economy can be traced to a number of factors, including the expansion of emerging markets, the quick adoption of new technology, sustainability policies, and the shift in consumer attitudes about ownership. The automobile industry will undergo the same changes that have occurred in other sectors as a result of digitalization, increasing automation, and novel business models. These forces are giving rise to four innovative technology movements in the automotive sector: various modes of transportation, autonomous driving, electrification, and connectivity.

Experts and market participants alike see the car industry on the verge of a massive shakeup as a result of the interplay between four interconnected phenomena. Despite widespread anticipation of revolutionary change in the near future, nobody has a clear picture of what the industry will look like 10 to 15 years from now as a result of these innovations. To this end, we present eight important viewpoints on the "2030 automotive revolution" to provide possibilities about the nature of future changes and how they will affect established automakers and suppliers, possible new entrants, regulators, customers, markets, and the automotive value chain.

That's why we're conducting this research: to give you something concrete to hold on to as the future shifts. The numbers should be interpreted as a projection based on the most likely assumptions across all four trends, according to our current knowledge. Despite its nondeterministic character, describing potential future scenarios may help industry participants better prepare for the unknown.

New business models, propelled by shared mobility, connectivity services, and feature updates, have the potential to boost the automobile industry's revenue pools by 30 percent, to \$1.5 trillion.

On-demand mobility services and data-driven services will contribute significantly to the automotive industry's revenue stream. In 2030, this might create up to \$1.5 trillion, or 30 percent higher in income potential than in 2020's \$3.5 trillion, as compared to roughly \$5.2 trillion from traditional car sales and aftermarket products/services. Increasingly, the car will

become a platform for drivers and passengers to consume fresh types of information and services or devote the freed time to other hobbies, thanks to connectivity and, later, autonomous technology. Cars need to be capable of receiving updates since the rate of innovation is increasing, especially in software-based systems. Shared mobility options with shorter life cycles will increase consumers' awareness of technological advances, driving increased demand for upgradability in privately owned older vehicles.

In recent years, the auto industry worldwide has shifted its attention to developing nations. More and more, automakers around the world are setting their sights on the booming economies of Asia, Eastern Europe, and South America, especially the BRIC states (Brazil, Russia, India, and China).

Since the end of the 2006 fiscal year, Japanese automakers have produced more vehicles than their American counterparts combined, as reported by the International Organization of Motor Vehicle Manufacturers or OICA (the group of companies active in the World Automotive Industry).

Despite Toyota Motor Company of Japan's rapid expansion, General Motors of the United States continues to dominate the global auto industry.

### Steps to be adopted by the world's automobile industry leaders:

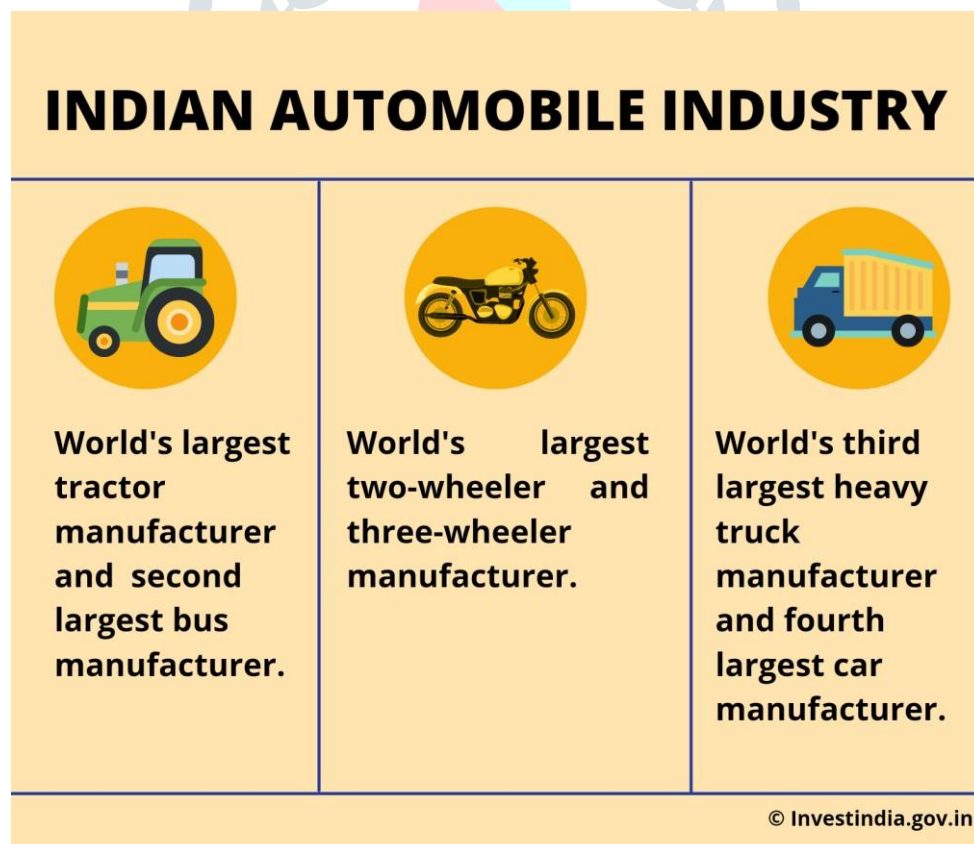
Numerous key economic measures are being examined by the leading players of the International Automotive Industry in order to make a seamless entry into the markets of developing nations and establish a reputation.

### Effective strategies include:

- lowering the selling prices of the autos produced in their factories;
- enhancing the standards of after-sales services to maintain customer satisfaction; and

Establishing factories in underdeveloped nations to cut effective production costs, save on shipping expenses, and improve the fast delivery of vehicle units.

## INDIA AUTOMOBILE INDUSTRY



The Indian automobile industry is the fourth-largest industry in the world and is projected to become the third-largest by 2026. In the next five years, the \$118 billion business will surpass \$300 billion. In April-March 2020, the industry produced 26 million cars, including Three Wheelers, Two Wheelers, Passenger & Commercial Vehicles, and Quadricycles.

India is the greatest producer of tractors, the third-largest manufacturer of heavy trucks, and the second-largest producer of buses on a global scale.

### **DIFFICULTIES CONFRONTING THE INDIAN AUTOMOBILE INDUSTRY**

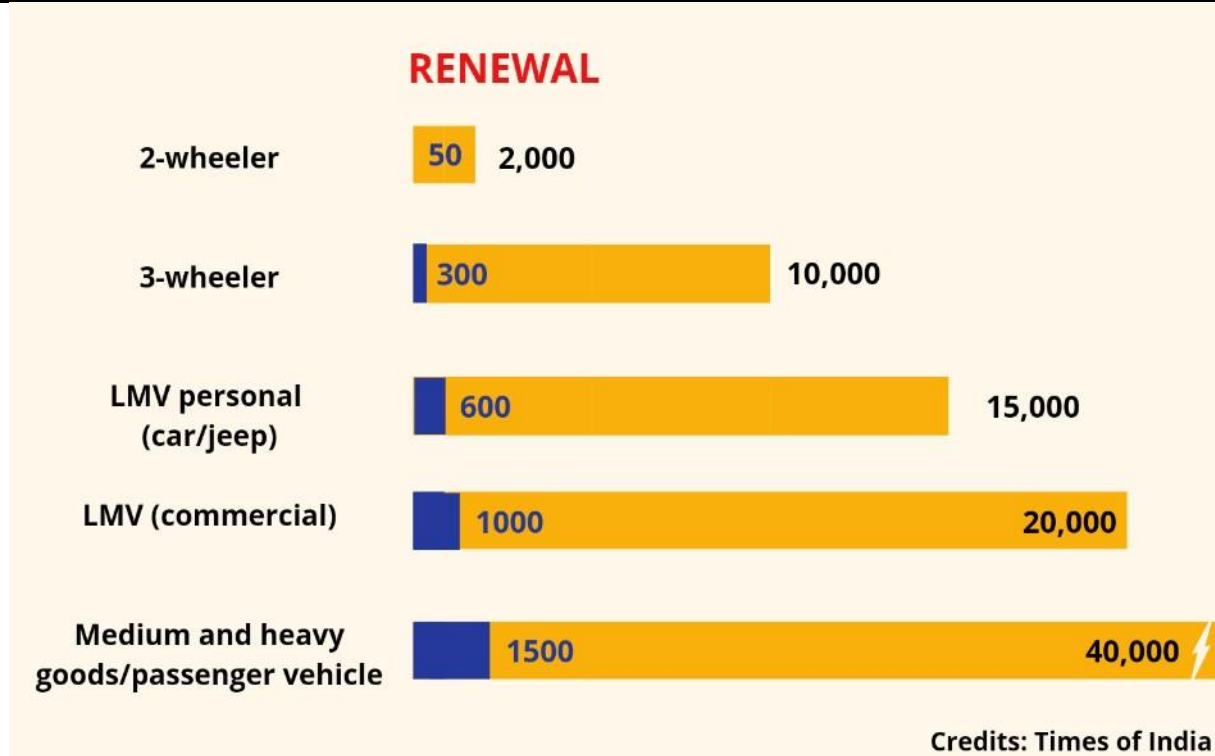
According to the Association of Indian Automobile Manufacturers, the Indian Automotive Industry experienced its steepest 18.71% drop in 19 years in July 2019. (SIAM). The country experienced a period of darkness, with passenger car deliveries falling 31%, two-wheeler deliveries falling 17%, and commercial vehicle deliveries falling 26%. In July of 2018, the industry had a decline. Before it, the sector was booming, with first-quarter sales up 18% to nearly 70 lakh units. Despite discounts and holiday promotions, the Indian Car Industry was unable to reestablish its foothold in the consumer market. In 2018-2019, the automobile industry saw numerous domestic difficulties, which had a negative impact on the nation's Economy and growth. Thus, what specific cause precipitated the decline of the Indian Car Industry?

- In November 2016, the Indian government announced the demonetization of Rs 500 and Rs 1000 banknotes. The aftermath of demonetization resulted in a liquidity shortage, employment losses, and severe effects on numerous businesses.

As a result, net disposable income and per capita GDP growth slowed, limiting consumer spending on non-essential items. Under a cash shortage, customers instinctively prioritise meeting their "needs" over their "wants." Hence contributing to lack of demand and market sluggishness.

- Financial Setback: When the Indian transport ministry raised rates at every stage of car acquisition, affordability became an issue. For the purpose of deterring gasoline and diesel automobiles, the fees for two-wheelers and taxis were increased.

What previously cost two-wheeler owners Rs 50 is now Rs 1000 for registration and Rs 2000 for renewal. The registration charge for taxis has increased to Rs 10,000 and the renewal fee to Rs 20,000, up from Rs 1,000 previously.



[Fig. Renewal 2022]

### **The GST Effect:**

Indian Automobiles imposes a Goods and Services Tax (GST) of between 28 and 25 percent on automobiles ranging from the least expensive to the most expensive. Historically, the rate was approximately half of what it is currently. The exorbitant increase in the GST rate renders automobiles unaffordable to purchasers due to their impact on the final price.

Car manufacturers urged a reduction in the existing rate from the government, but the tariff remained unchanged.

### **Holding Back Electric Vehicles:**

The Presidential Administration is promoting electric mobility in order to turn India's vehicle landscape into a method of sustainable transportation. In 2019, the Indian government dedicated 10,000 crores to the FAME scheme to promote the development, manufacturing, and use of electric vehicles. Hence, suppressing consumer demand.

Nonetheless, although employing 37 million people simultaneously in the United States, the automobile industry claimed the title of largest employer.

However, the decline of the vehicle industry resulted in the termination of contracts for 15,000 temporary employees of original electric manufacturers (OEMs). The lack of working cash

resulted in the closure of 300 dealerships, hurting the employment of 2 lakh workers across thenation.

The Indian automobile industry has endured a difficult spell during the past several years. Nonetheless, the industry experienced a resurgence near the end of 2020.

### **Network of Car Dealers in India**

Maruti is the nation's leader in terms of car dealer networks and authorised service stations, with dealer



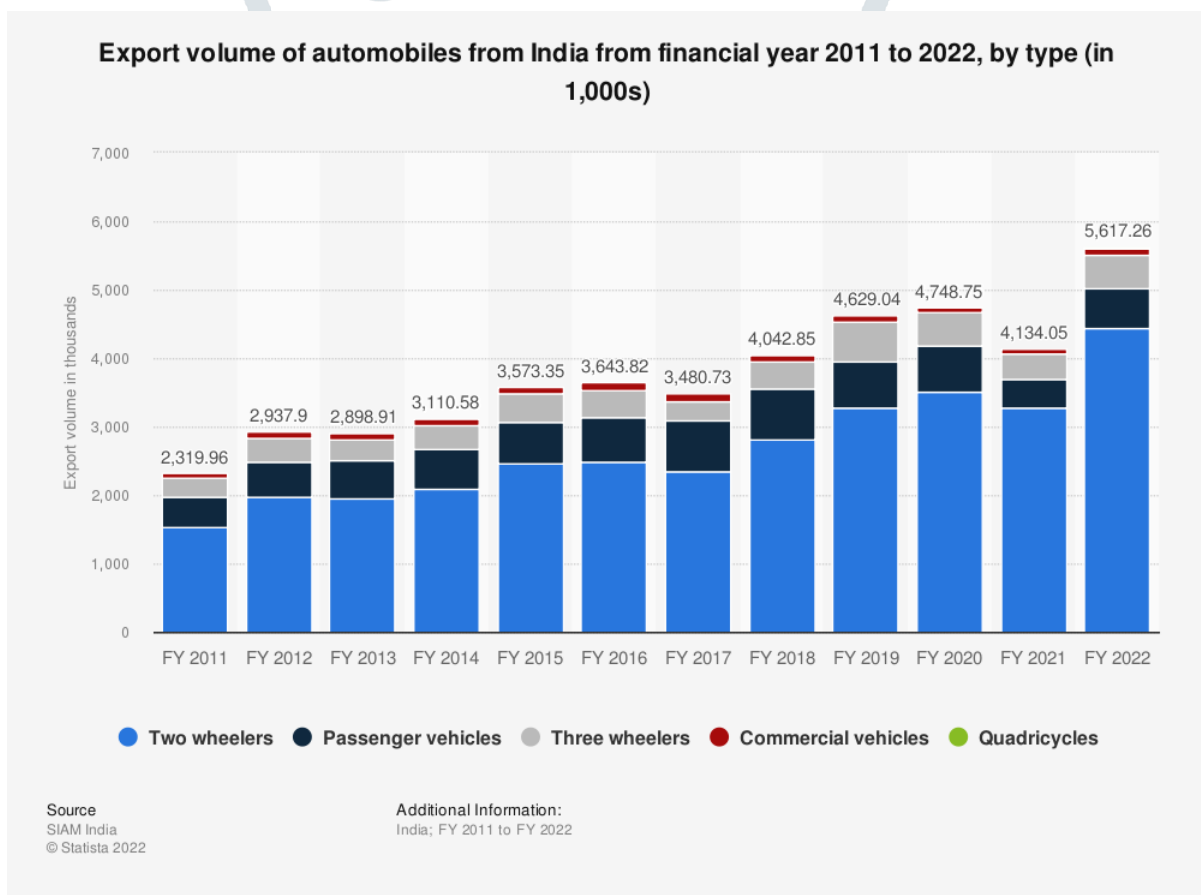
networks and authorised service stations spread across the country. Other big automotive manufacturers are also attempting to compete by constructing service facilities and dealer workshops in all of the nation's metros and significant cities. Finances are discounted in various ways by dealers, who then pass on the savings to customers in the form of decreased interest rates.

### Maruti Udyog Ltd.

- General Motors India
- Mahindra and Mahindra
- Tata Motors
- Maruti Suzuki

The automobile industry looks to have profited from the government's liberalisation of international investment and technology import guidelines. In the next couple of years, it is probable that the manufacturing of such vehicles will approach 10 million units.

### AUTOMOBILE EXPORT NUMBERS



### THE KEY FACTORS BEHIND THIS UPSWING

During the first two quarters of the current year, sales incentives, the introduction of new models and variants, and the simple availability of low-cost financing with flexible payback choices continued to stimulate automotive demand and sales. Industry participants are most concerned about the risk of an increase in interest rates, the impact of delayed monsoons on rural demand, and the rise in the price of inputs like as steel.

If competitors continue to produce new models and varieties, the level of competition may increase. The

players' ability to control costs and concentrate on exports will be crucial to the success of their separate businesses.

### **Building a company around Customer Satisfaction -**

The importance of basing the entire business on customer service has grown significantly as customer demands and competition have increased. To accomplish this, one must first recognise that each person of an organisation actively contributes to customer service. This comprises both external and internal clients of an organisation.

Customer-centric firms prioritise both customer satisfaction and profitability. Profits are generated through client happiness. In these firms, the executive level interacts often with external clients. The executive team communicates with the client using consultative, participatory, and supportive management approaches. The whole focus of the employees is on meeting the demands of the consumer. Nonetheless, it is the responsibility of management to provide the necessary assistance for the workers to attain these objectives. Those departments and personnel within the firm that have no direct contact with external consumers are solely responsible for internal customer satisfaction.

### **The Influence of the salesperson in Customer Satisfaction-**

The effects of non-product related factors on consumer satisfaction with major retail purchases like vehicles are explored by Brent G.Goff and James S. Boles in their paper "The influence of salesperson selling behaviour on customer contentment with things." The authors of this article argue that the selling orientation-customer orientation (SOCO) of a salesperson has an indirect effect on the level of customer satisfaction with the manufacturer or supplier of the goods being sold.

Manufacturers and retailers alike have a vested interest in keeping their customers happy for a variety of reasons. If a customer is happy with a product, they are more likely to buy it again and are more likely to buy the same brand from the same store. It helps maintain current customers and attract new ones who will become devoted to the company. A salesperson can influence a customer's expectations by helping them learn more about the product and what to expect from the purchasing process and subsequent use of the item. That's why this might make people happier: (Grewal and Sharma, 1991). An efficient salesperson takes into account the unique needs of each client. Customer-centric salespeople are more likely to be able to relate to their clients and modify their pitches accordingly.

### **How internal marketing affects Customer Happiness –**

Successful businesses make every effort to assure customer happiness by focusing all organisational resources on delivering exceptional customer service. By doing so, these businesses want to retain their current clientele and acquire new ones. The only facet of clientsatisfaction that is frequently neglected is the internal one.

Employees or internal customers play a crucial part in achieving customer happiness and loyalty. Some

companies may not comprehend that how they handle their internal customers influences how their exterior customers see them. Internal customers are the firm's employees or other departments within the corporation. Their performance on the job affects the company's capacity to provide great product and customer service (Boone and Kurtz, 1999). When a company's employees are satisfied with their jobs, their entire attitude and performance towards customers improve dramatically. Internal marketing enables members or employees of a business to comprehend and carry out their responsibilities in executing its marketing strategy. Internal marketing not only keeps employees satisfied, but also demonstrates to them how their activities impact the company's capacity to provide consumer happiness.

Customer Satisfaction as a Component of the Service Profit Chain: An article from Harvard Business Review describes the internal procedure required to generate growth and boost profitability. The article outlines the phases in the "Service-profit chain" to illustrate how service quality helps to success.



## **ORGANIZATION PROFILE**

### **Corporate Office**



Headquarter of New Delhi, India.

## COMPANY PROFILE

Hero is the brand name of the Munjal brothers' flagship enterprise, Hero Bikes Ltd. Hero Honda Motors Limited, a joint venture between the Hero Group and Honda Motor Company, was founded in 1984 in Dharuhera, India. Both the Munjal family and the Honda group hold 26% of the company. In 2010, it was rumoured that Honda will sell its part in the business to the Munjal family.

In the 1980s, the business created fuel-efficient, low-cost motorcycles that were popular in India. A prominent advertising campaign centred on the phrase "Fill it - Shut it - Forget it" that emphasised the fuel efficiency of the motorcycle has contributed to the company's double-digit growth since its start. Hero MotoCorp has three manufacturing sites located in Dharuhera, Gurgaon in Haryana, and Haridwar in Uttarakhand. Honda supplied the technology for Hero Honda's motorcycles for approximately 26 years, from 1984 to 2010. These facilities are capable of producing three million bicycles annually. Hero MotoCorp has an extensive sales and service network in India, with more than 3,000 dealerships and service locations. Since 2000, Hero Honda has maintained a customer loyalty programme known as the Hero Honda Passport Program.

The firm has announced revenue and volume goals of \$10 billion and 10 million two-wheelers by 2016-2017. Hero MotoCorp expects to initiate sales in Nigeria by the end of 2011 or the beginning of 2012, in conjunction with new foreign markets where they may now advertise their two-wheelers following their separation from Honda. In addition, the company planned to construct a fourth factory in South India and a fifth factory in Western India to meet the increased demand expected over the next five years. There is no confirmation on the location of the factories.

The guiding values of HERO Motor Co., Ltd. are "Respect for the Individual" and "The Three Joys," also known as The Pleasure of Purchasing, The Joy of Selling, and The Joy of Producing. "Respect for the Individual" expresses our desire to appreciate the distinctive character and abilities of each individual, trusting each other as equal partners in order to perform at our best in all circumstances. Based on this, "The Three Joys" represents our view and goal that everyone who works for or interacts with our company, either directly or through our goods, should have a sense of joy. In accordance with these fundamental values, since its founding in 1948, Honda has remained at the forefront of its industry by developing new value and offering products of the best quality at a reasonable price in order to satisfy customers worldwide. In addition, the Company's activities have been done with a focus to preserving the environment and promoting safety in a mobile society.

The company has grown to become not only one of the best automakers, but also the world's largest motorcycle producer. Honda has built an excellent reputation among consumers all over the world by designing, producing, and selling a wide variety of products, from small general-purpose engines and scooters to specialised sports cars, through its global network of 474\* subsidiaries and affiliates accounted for using the equity method.



<b>Type</b>	Public
<b>Traded as</b>	BSE: 500182 NSE: HEROMOTOCO NSE NIFTY 50 Constituent
<b>ISIN</b>	INE158A01026
<b>Industry</b>	Automotive
<b>Founded</b>	19 January 1984; 38 years ago
<b>Founder</b>	Brijmohan Lall Munjal
<b>Headquarters</b>	New Delhi, India
<b>Key people</b>	Pawan Munjal (Chairman, MD & CEO)
<b>Products</b>	MotorcyclesScooters
<b>Production output</b>	7,587,130 units (2018)
<b>Revenue</b>	₹31,517 crore (US\$4.1 billion)(2021)



<b>Operating income</b>	₹8,895 crore (US\$510 million)(2021)
<b>Net income</b>	₹2,982 crore (US\$390 million)(2021)
<b>Total assets</b>	₹22,161 crore (US\$2.9 billion)(2021)
<b>Total equity</b>	₹15,198 crore (US\$2.0 billion)(2021)
<b>Number of employees</b>	8,599 (2020)
<b>Parent</b>	Hero Motors Company
<b>Website</b>	Hero Motocorp

### Vision

Hero Honda's origins can be traced back to a single idea: the possibility of a more independent and mobile India made possible by the company's motorcycles. The name change to Hero MotoCorp Ltd. reflects the firm's commitment to provide first-rate mobility solutions and its reinvigorated determination to expand its business internationally.

### Mission

Hero MotoCorp's purpose is to create a global organisation that satisfies the mobility demands and aspirations of its customers, thereby converting them into brand ambassadors. The organisation will provide a stimulating environment in which its employees can realise their full potential. It will continue to prioritise the creation of value and long-lasting connections with its partners.

### Strategy

Hero Moto Corp's main initiatives are to discover global growth opportunities, continuously improve its operational efficiency, aggressively expand its customer reach, continue to invest in brand-building activities, and guarantee customer and shareholder satisfaction.

## MOST SELLING PRODUCTS



# CHAPTER -2 LITERATURE REVIEW

## LITERATURE REVIEW

K. Lakshmi Priya (2016) conducts research to investigate the sources of two-wheeler Honda awareness. They employed a descriptive research design. Questionnaires were used to collect primary data, while secondary data sources included publications, journals, newspapers, and websites. The sample was selected using the convenience sampling approach, and data from 250 respondents were obtained. They employ the Likert scale method. The majority of respondents are satisfied with Honda two-wheelers, and the findings and recommendations of this survey will assist the company in a more efficient and effective manner.

A. S. Ambily (2016) conducts a research study to assess the personal profile of consumers and to determine the level of customer satisfaction with respect to the performance of vehicles, the mileage of vehicles, and the offered bike service. 100 respondents were contacted directly and questionnaires were mailed to them in order to conduct a descriptive research design study. They discovered that the majority of Yamaha's consumers are very satisfied, hence retaining customer loyalty across a variety of demographic groups, including age, gender, income, and the factors that influence them to purchase a Yamaha car.

Priyanka Jain (2015) investigates how satisfied customers are with Yamaha's motorcycles. She investigated in a descriptive manner. She has compiled primary information through the use of a questionnaire. Her study utilised a 100-person sample, focused on Delhi, and relied on the frequency test for its findings. She thinks Yamaha's target market is young people because they are most satisfied with mileage and free service, and because Yamaha bikes are known for their design and performance.

The authors (K. Subramani, E. Elavarasan, et al., 2015) investigate the degree of consumer satisfaction with Yamaha FZ bikes in the Ambattur area of Chennai, as well as the level of satisfaction with the product and service overall, and the level of preference for the quality of a particular brand. They used a descriptive method for their study. Non-probabilistic sampling methods include the popular "convenience" sampling. A structured questionnaire was the primary instrument for gathering information. Ultimately, they found that Yamaha FZ customers were satisfied.

D. Vijayalakshmi et al. (2015) did a study to determine if there was a correlation between respondents' socioeconomic status and the brands they preferred to buy. Using a survey instrument, they were able to collect primary data from two hundred and fifty individuals. Researchers used tests including the t-test, one-way analysis of variance, and Chi-square to

conclude that customers were happy with all five brands they tested. The success of the chosen two-wheeler brand depends in large part on the management of the company keeping a close eye on and understanding the factors that affect customer satisfaction.

Thiru. P. Nayagam's (2015) study aims to uncover the factors that affect customers to choose Bajaj two-wheelers and the expectations that should be met by Bajaj to increase customer pleasure. They conducted their study in a descriptive fashion. We used primary sources and a questionnaire that was sent to a random

selection of fifty people to compile our results. All of the solo work done by the researcher under his supervisor's watchful eye was up to his standards. The study's author anticipates that at least some of his conclusions and suggestions will be used to market the company's offerings in the future.

The objective of the research conducted by N. Bhuvanesh Kumar et al. (2015) is to assess the personal profile of Honda active consumers and to identify the component that has the most influence on consumer perception. The selected design is a descriptive research design with survey methodology. 89 respondents were selected by casual sampling. Using percentage analysis, the chi-square test, the weighted average rank technique, and Friedman, a study was undertaken in Coimbatore to determine the customer satisfaction of Honda activa two- wheelers. For this reason, 120 clients were selected and their replies were collected using a questionnaire. Honda Activa are preferred by ladies, but males also use them.

The purpose of the research conducted by M. V. Sathiya Bama et al. in 2015 was to measure the extent of working women's attitude towards two-wheelers and to determine the buying behaviour of two-wheelers among women. They own With a Convenient Random Sampling approach, a questionnaire sample has been selected. They have determined that working women own bicycles for convenience. Although they are satisfied with the vehicle's performance, they are aware that the vehicle's cost is expensive and that they do not achieve the recommended fuel economy. They can decide and develop two-wheeled vehicles that may increase consumer pleasure.

The purpose of the research conducted by Mahalakshmi (2014) was to determine the parameters impacting the usage of TVs XL and the level of consumer satisfaction with TVs XL. They engaged in descriptive research design. Primary data and a survey with a sample size of 240 have been used to collect data. The respondent was selected using a random selection method. They have decided that two-wheeler manufacturers are releasing new models and engaging in the appropriate promotional measures to improve their demand. In the past, people

exclusively rode bicycles and rarely utilised two-wheeled vehicles. But, as of today, everyone in the district owns a two-wheeled vehicle, and the majority of responders choose Televisions XL for their riding comfort and satisfaction with their services.

Duggani Yuvaraju et al. (2014) conduct a research study to determine the level of customer satisfaction with Honda bikes' services and the elements that influence consumers' decisions to buy Honda bikes. They performed a survey and gathered data via questionnaire using the convenience sample approach. The number of samples was 100. Using the Chi-square test and percentage analysis, they discovered that high-income clients favoured Honda Motorcycles. Almost 70% of clients recognise Honda Motorcycles. The attitude of 50% of customers towards the price of Honda Motorcycles is reasonable, since the majority of customers agree that Honda has the best quality at a reasonable price. Yet, 10% of customers request an improvement in quality.



# CHAPTER -3 RESEARCH METHODOLOGY

## NEED OF THE STUDY

The fundamental requirement of the project is to comprehend Hero motors' consumer happiness and marketing strategy and to find the service gaps. The objective of this project is to determine the sales and service range of Hero motors goods in the Vadodara market.

Business desires to know if product marketing and sales are operating well. And are retailers content with the servicing procedure? By promotional materials, the company also wishes to identify the availability of Hero products and their market awareness. The necessity for the project stems from the company's need to enhance its marketing approach in order to better position itself in the Vadodara market. So, they need a comprehensive examination of the issues, which would also produce novel suggestions for the enhancement.

For the purpose of achieving the objective, a survey was done at cellular retail stores in two regions. During the survey and subsequent analysis, it was determined that the majority of retailers in the surveyed market are satisfied with Hero products/services. Hero's service and brand range are excellent in all respects. In terms of service, margin, and new offers, Hero's products were ranked third-best.

## OBJECTIVE OF THE STUDY

The purpose of this report is to investigate Hero Motocorp's customer satisfaction.

- Examine the customer satisfaction of Hero Moto Corp in Vadodara.
- To gain an understanding of Hero motors.
- To investigate consumer perceptions of Hero motors.
- To recommend a few sales promotion tactics to increase consumer brand recognition.

## METHODOLOGY

The structure of the project's framework specifies what information is to be collected, from what source, and by what technique. In light of the study's objectives, an exploratory design has been chosen. In addition, the researcher addressed descriptive research design and causal analysis to establish relationships between variables. Exploratory research is characterised by its emphasis on the examination and interpretation of existing and available data, as well as its emphasis on the interpretation of existing data.

Design of Research: Descriptive Research

**Detailed Research:** - This research would consist of surveys and fact-finding inquiries of various types. The primary goal of descriptive research is that it can only describe the current state of affairs within an organisation. The primary characteristic of this approach is that the researcher has no control on the external

factors, referred to as respondents, because they will interview the individuals under study. They can only report what has occurred or what is currently occurring. In social science and business research, the term "ex-post facto research" is frequently used to refer to descriptive research studies; the researcher can identify and describe the reasons of certain occurrences, but cannot control them.

### Sources of Information:

Primary data and secondary data are the two sorts of data sources. The entire work relies on secondary data. Hence, all information has been compiled from various periodicals, websites, and newsletters.

### PRIMARY DATA:

The information provided by the consumer through a human engagement with a questionnaire might be used to acquire this data. Visitors visiting various vehicle showroom filled up surveys.

**SECONDARY DATA:**  
This information was obtained through any indirect source. I gathered using the following methods:

1. Books
2. Official internet sites
3. Magazines
4. Exhibition
5. Websites
6. Newspapers

### SAMPLE DESIGN:

World population population

Sample Techniques: Random Sampling Sample Size: 100

### DATA ANALYSIS

The analysis of data was conducted using the Simple percentage and graphical methods. Data was represented using a pie and bar chart.

### TOOLS

Rating techniques, pie charts, graphs, etc., are utilised for data analysis. Table 4. Questionnaires are provided to each respondent with careful consideration for their comfort. So that he/she could respond to each inquiry. This strategy is used to obtain impartial results.

### PLAN OF ANALYSIS

The content acquired through interviews and questionnaires will be analysed, collected, structured, processed, and tallied qualitatively and quantitatively. Using Graph, an interpretation will be made.

### TOOLS FOR ANALYSIS:

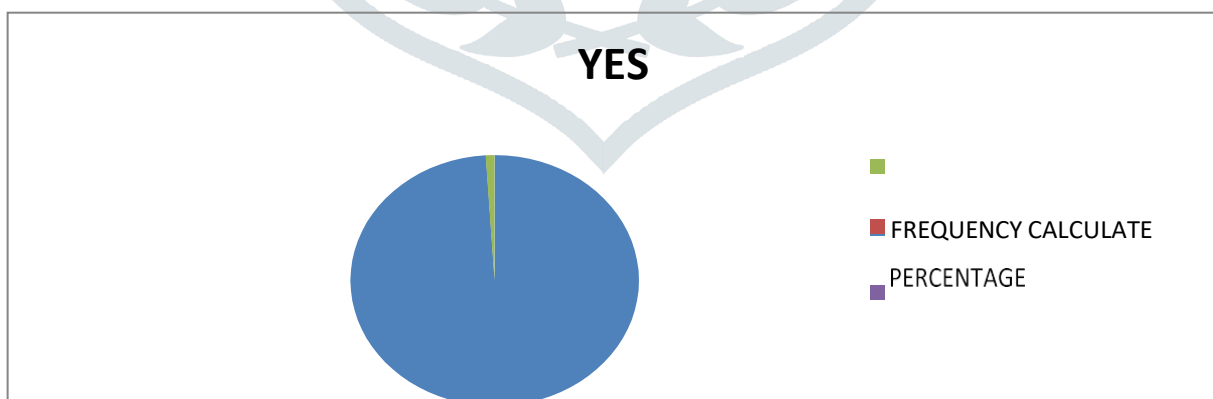
- Diagrams
- Percentage
- Chart
- Graph

**LIMITATIONS OF THE STUDY**

- The research was conducted quickly, and the majority of respondents were students. It may influence the survey and offer inaccurate data.
- Little or insufficient secondary information was available on the internet and in reports.
- Since the study is based on samples, absolute data may not be accessible.
- Respondents may submit skewed data because they are in a rush or are otherwise preoccupied, and as a result, they may provide inaccurate data.

**CHAPTER -4****ANALYSIS AND INTERPRETATION****ANALYSIS AND INTERPRETATION****Q1. Awareness about automobile industry**

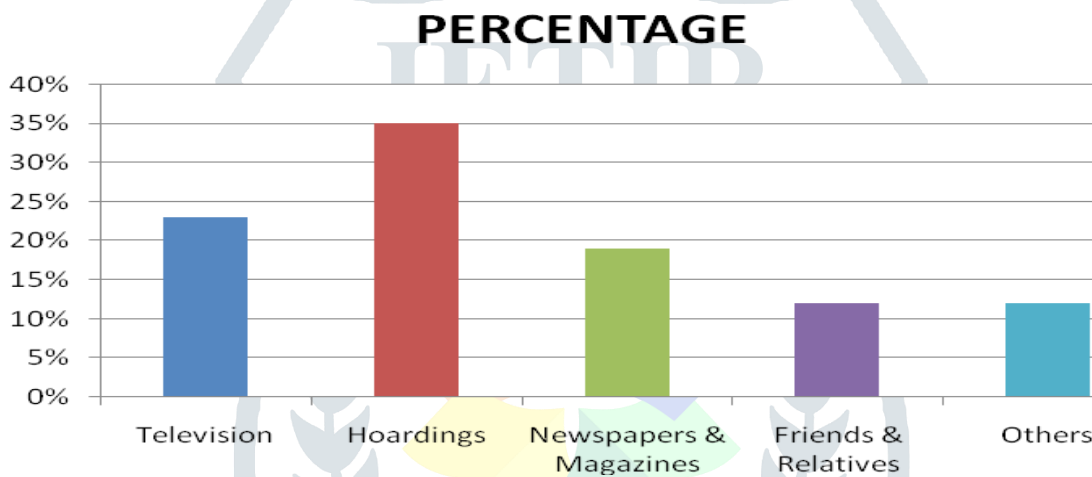
	PERCENTAGE
YES	86%
NO	14%

**Percentage****Analysis:-**

The project to determine the brand awareness level of automobile companies was conducted in and around Vadodara with a sample size of 100 and a questionnaire. When respondents were asked whether they had heard of automobiles, 93 out of 100 said they had, while 7 said they had not. Therefore, 93% of respondents had heard of the product, indicating that it is a well-known brand.

**Q2. Where have you heard about it?**

	PERCENTAGE
Television	23%
Hoardings	35%
Newspapers & Magazines	19%
Friends & Relatives	12%
Others	12%

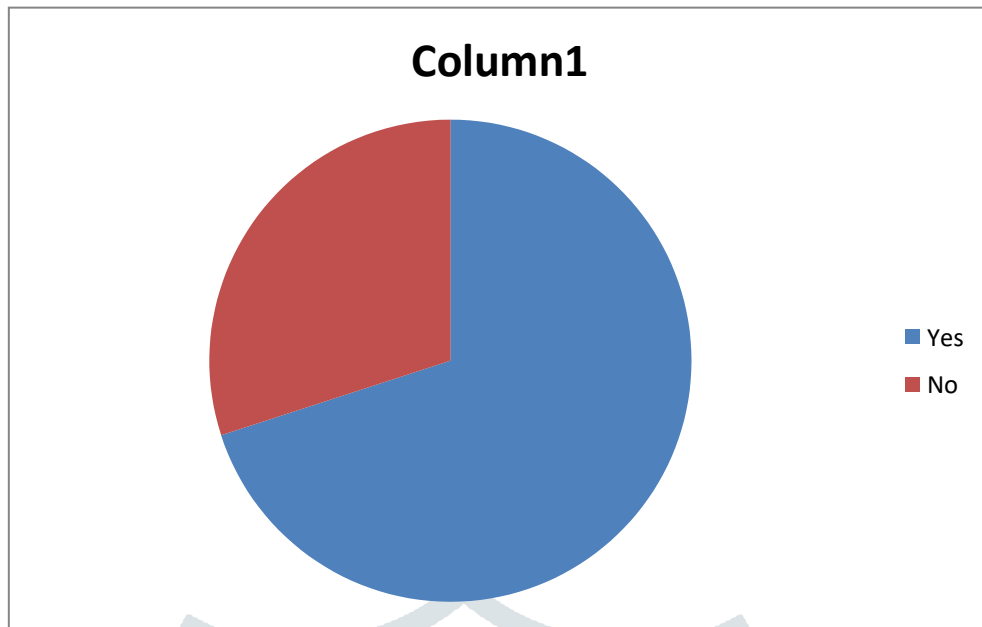
**Analysis:-**

Since only 86 people (23%) in a random sample of 100 had actually heard of the product, we analysed this question by asking respondents how they first learned about it: 10 (23%) said TV, 35 (35%) said hoardings, and 19 (19%) said newspapers. Based on the data, it can be concluded that TV and billboards were the most effective methods of spreading word of the product's release.

**Q3. No. of people using two wheelers?**

Yes : 70

No : 30

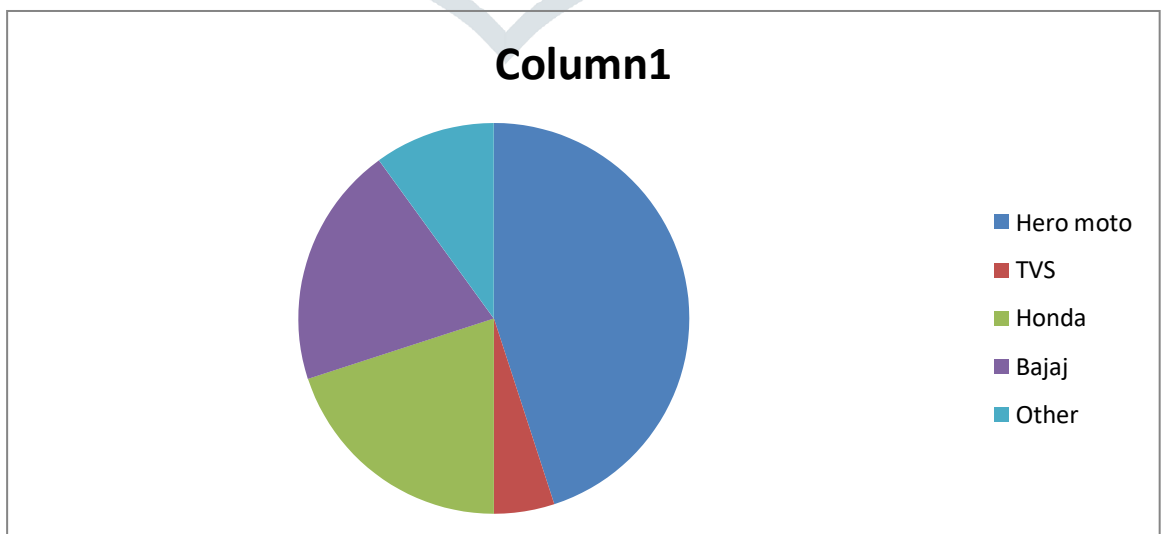


**Interpretation**

After survey student found most of customers having bikes.

**Q4. Percentage of people using different brand?**

Hero Moto	- 45%
TVS	- 5%
Honda	- 20%
Bajaj	- 20%
Other	- 10%





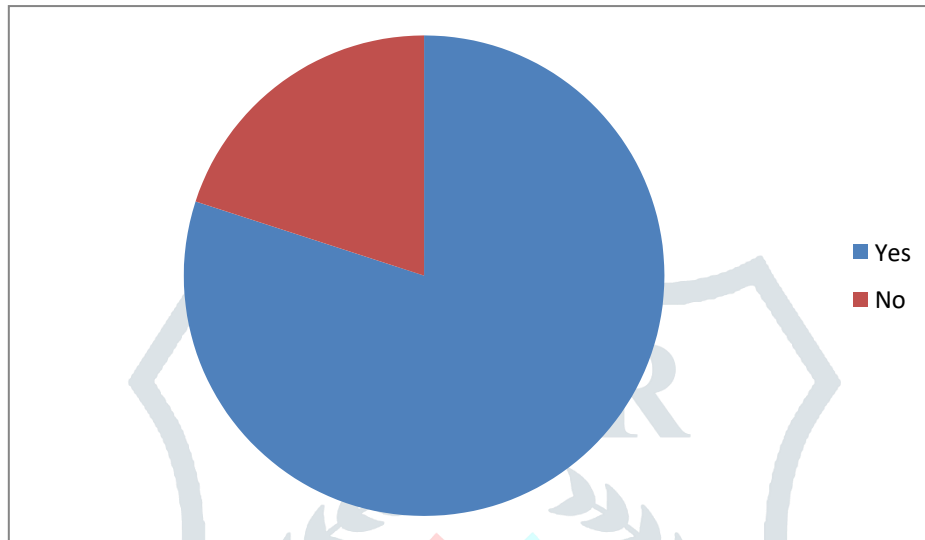
### Interpretation

After survey student found that most of the customers having Hero bikes.

#### Q5. Does your purchasing decision affected by the brand name of the bike?

Yes 80

No 20



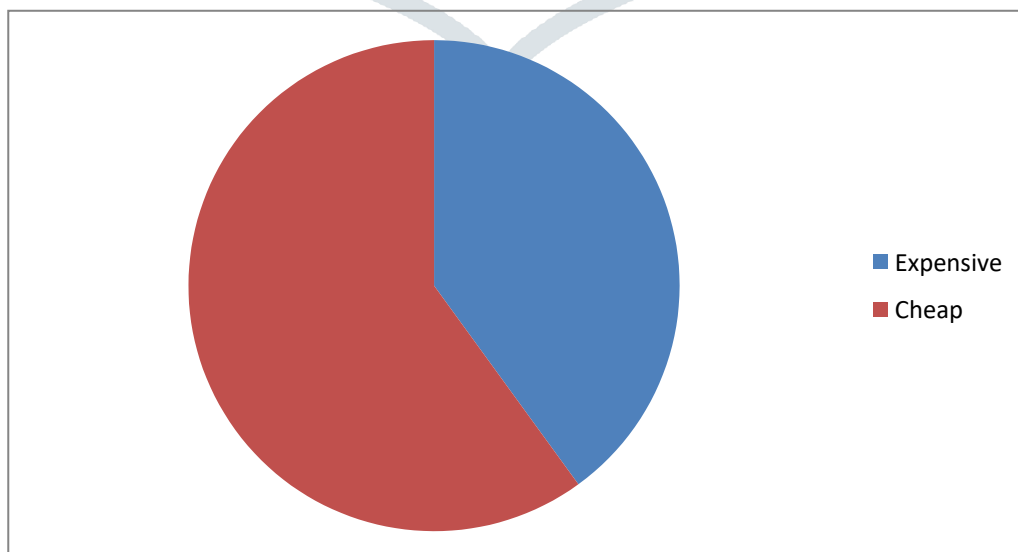
### Interpretation

Most educated customers say yes.

#### Q6. What is the opinion about the price policy of Hero products?

Expensive 40

Cheap 60

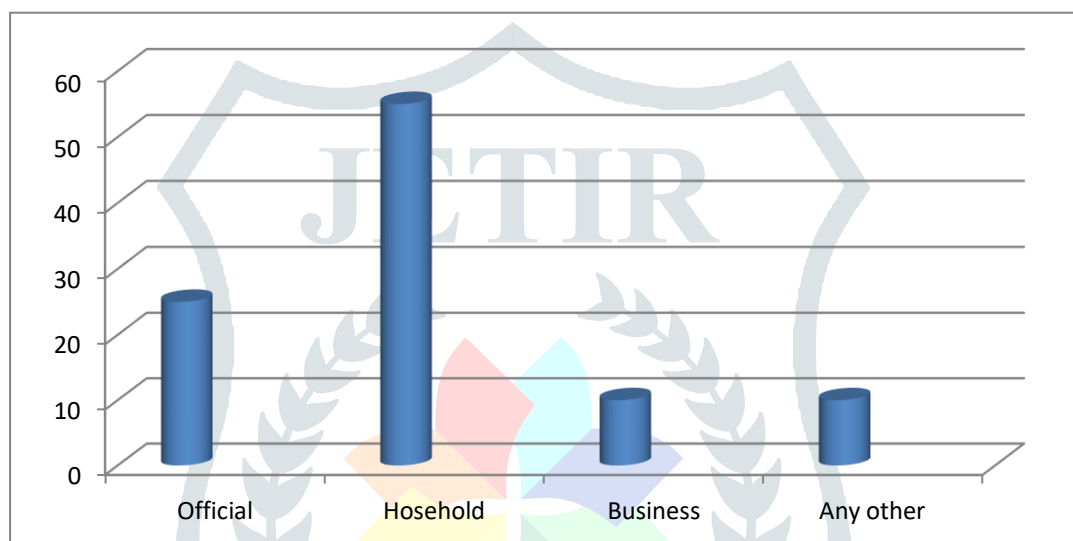


**Interpretation**

Most of the young riders say, it is quite cheap.

**Q7. For what purpose you buy Hero bike.**

Official	25
Household	55
Business	10
Any other	10

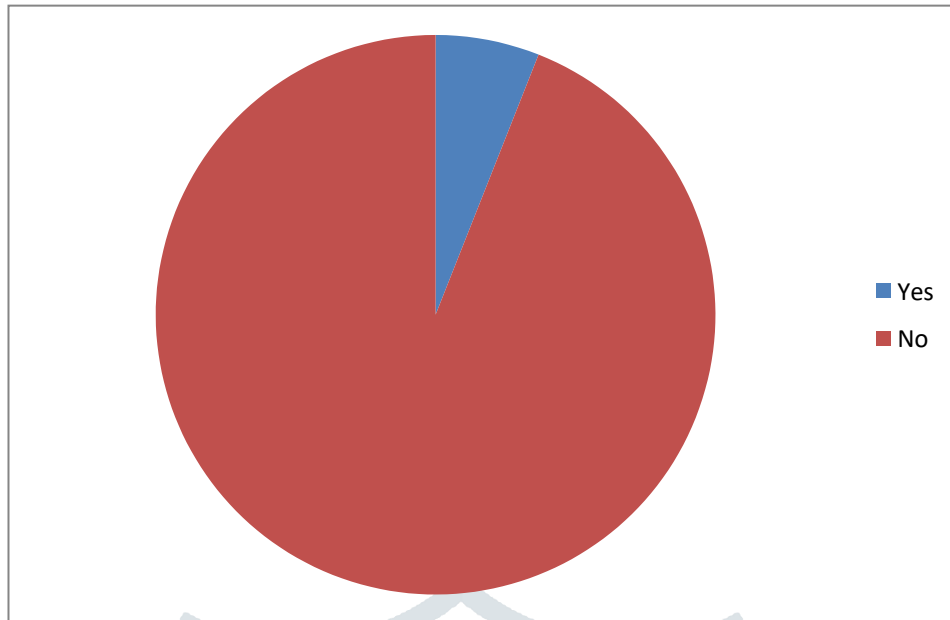
**Interpretation**

Customers mostly preferred to use Hero bikes for their family itself.

**Q8. Have you faced any problem regarding power driving of the vehicle?**

Yes 06

No 94

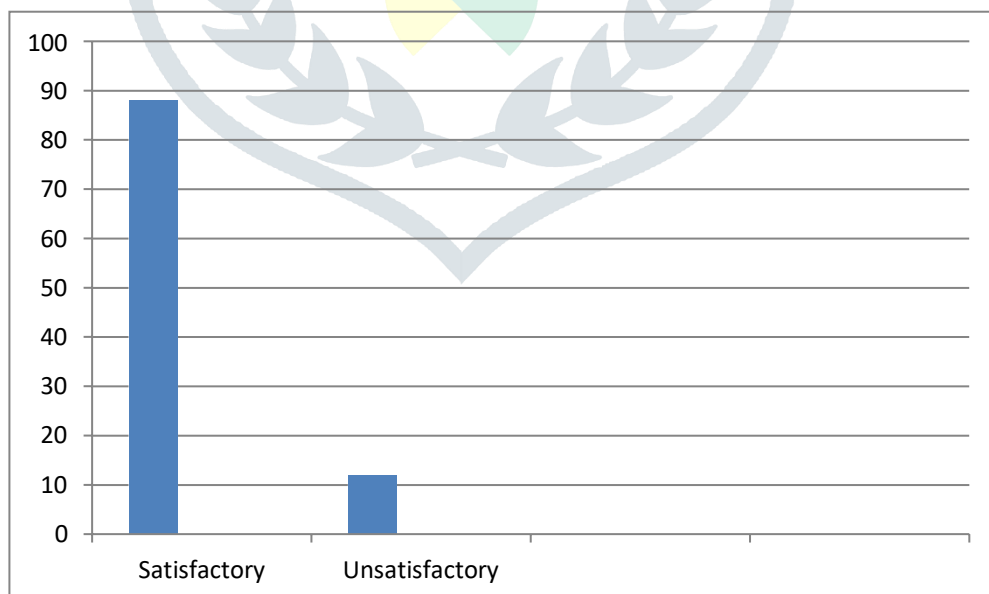


**Interpretation**

Customers were satisfied with engine performance.

**Q9 .How does Hero have customer relations?**

Satisfactory	88
Unsatisfactory	12



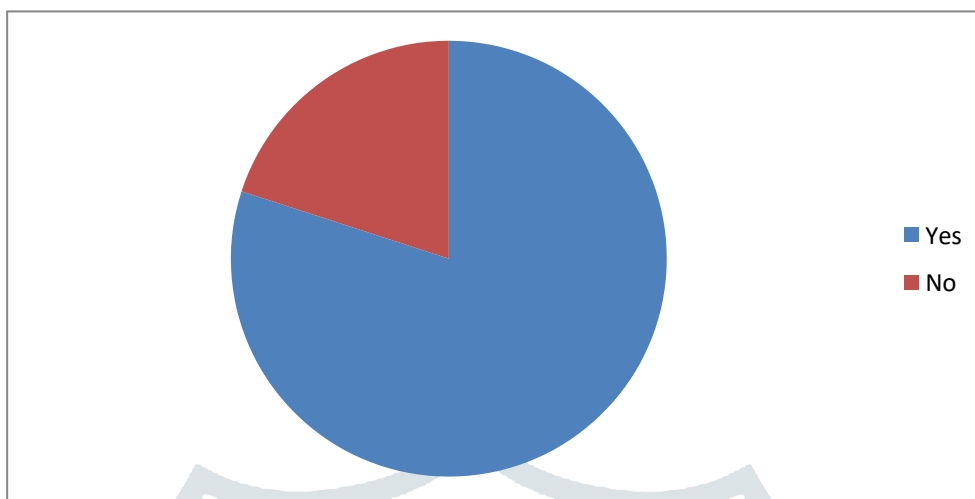
**Interpretation**

Customers are satisfied with Hero's customer relations.

**Q10. Are you satisfied with Hero bikes?**

Yes 80

No 20



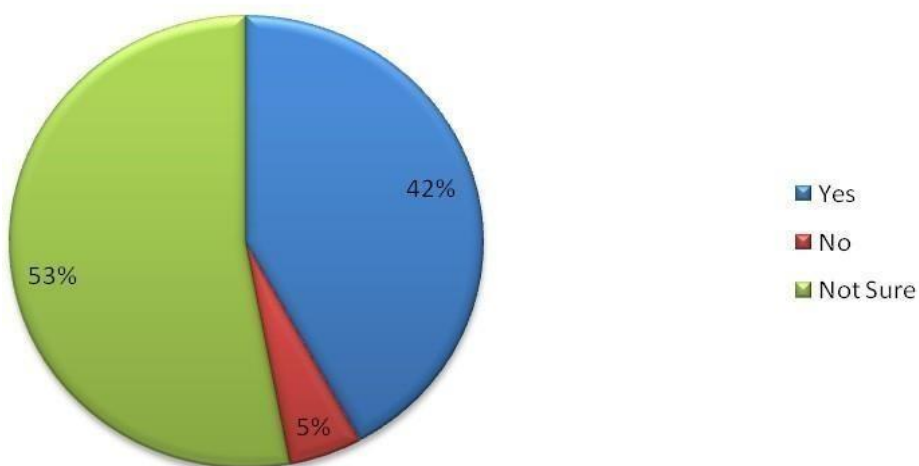
**Interpretation**

Customers are satisfied with Hero bikes.

**Q11. Would you like to recommend Hero vehicles to others?**

	PERCENTAGE
Yes	42%
No	5%
Not Sure	53%

**PERCENTAGE**



**Analysis:-**

When the people were asked whether they would recommend Hero Vehicles to others 18 people that is 36% replied they would recommend this product to others, 4% replied in a negative way , 46% that is 23 people

said they were not sure and 14% that is the remaining 7 people of the sample did not take part in the question.

## **FINDINGS**

Sales can be boosted with the help of marketing strategies, say retailers.

- Word-of-mouth and media coverage bring in the vast majority of clients.
- The Hero Spender is a top-seller among Hero Motors' motorcycles.
- Consumers were generally pleased with the performance of the motorcycles.
- Fifty-seven percent to eighty-five percent of all bike sales are made using installment plans.
- Around 45% of respondents said they used Hero, according to the survey.
- Bicycles are priced reasonably, according to the majority of buyers.
- Dealer's Service Was Well Appreciated By Customers
- A student's study revealed that riders of Hero motorcycles were generally pleased.
- Hero's reliable engine is a major selling point.
- Young people are generally at ease with it.
- Technological innovations like those used by heroes are highly impressive.
- The affluent market pays more for prestige and reputation.

## **CONCLUSION**

Several issues and levels of satisfaction of consumers, advertising, and sales promotion of Hero were identified through this survey in order to facilitate the implementation of solutions that would lead to the development of long-term connections between the firm and its consumers. Delivering on the wants and expectations of each individual client can be challenging, so it was recognised early on that establishing meaningful connections with them was crucial. To that end, numerous questions were devised to get insight into customer behaviour. Customer satisfaction with Hero Bikes' service, product quality, and distribution chain management are also investigated in this study.



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- [www.autoindia.com](http://www.autoindia.com)
- [www.overdrive.com](http://www.overdrive.com)

## **QUESTIONNAIRE**

**1. Awareness about Automobile industry?**

- Yes
- No

**2. Where have you heard about it?**

- Television
- Hoardings
- Newspapers & Magazines
- Friends &
- Relatives
- Others

**3. No. of people using two wheelers?**

- Yes
- No

**4. Percentage of people using different brand?**

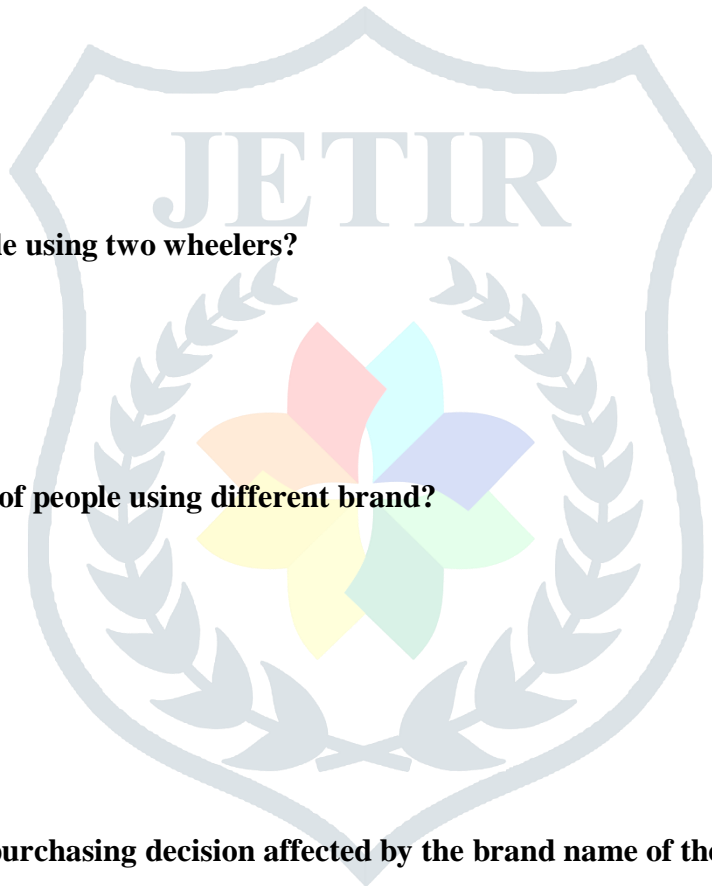
- Mero Motor
- TVS
- Honda
- Bajaj
- Other

**5. Does your purchasing decision affected by the brand name of the bike?**

- Yes
- No

**6. What is the opinion about the price policy of Hero products?**

- Expensive
- Cheap



7. **For what purpose you buy Hero bike.**

- Official
- Household
- Business
- Any other

8. **Have you faced any problem regarding power driving of the vehicle?**

- Yes
- No

9. **How does Hero have customer relations?**

- Satisfactory
- Unsatisfactory

10. **Are you satisfied with Hero bikes?**

- Yes
- No

11. **Would you like to recommend this products to others?**

- Yes
- No
- Not Sure

