

# Decoding Consumer Insights: Perceptions and Expectations of Hero Two-Wheelers

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**Abstract:** Hero MotoCorp, a leader in the two-wheeler segment, has successfully navigated the automobile industry, generating employment and enhancing mobility solutions. The company's advertising and sales promotion strategies from 2019 to 2023, incorporating digital transformation, traditional media utilization, sponsorships, and innovative promotional schemes, have positively impacted consumer perception, sales volume, and market share retention. Hero's strategic use of digital platforms, festive discounts, exchange offers, and financing schemes has boosted consumer engagement and purchase decisions. However, areas for improvement include enhanced digital personalization, a focus on sustainability initiatives, and stronger after-sales service offerings. These recommendations aim to solidify Hero MotoCorp's brand leadership, cater to evolving consumer expectations, and ensure long-term growth in a competitive landscape.

**Keywords:** Hero MotoCorp, Consumer Perception, Innovation in Two-Wheelers, Sustainable Mobility, Customer Engagement

## I. INTRODUCTION

The automobile industry, which includes the design, production, branding, and sales of commercial vehicles, has made a substantial contribution to growth and development. It has greatly cut travel time while increasing trip quality. The auto sector has also increased employment, so contributing to economic growth. Governments work with the automotive sector to develop and implement economic policies. Commercial vehicle manufacturing has continually expanded to meet customer demand, demonstrating the auto industry's dynamic nature. Hero Group, a joint venture between the Munjal brothers and Honda Motor Company, established Hero Honda Motors Limited in 1984 in Dharuhera, India. The company has grown at a double-digit pace since its inception, introducing fuel economy and low-cost motorcycles. Hero MotoCorp has three manufacturing facilities in Dharuhera, Gurugram, and Haridwar, capable of

producing 3 million bikes per year. The company has a large sales and service network with over 3,000 dealerships and service points across India. Hero Honda Motors Limited aims to achieve revenues of \$10 billion and volumes of 10 million two-wheelers by 2016-17. The company aims to achieve 10% of its revenues from international markets and is expected to launch sales in Nigeria by the end of 2011 or early 2012. To cope with new demand, the company plans to build four factories in South India and five in Western India. HERO Motor Co., Ltd. operates under the principles of "Respect for the Individual" and "The Three Joys," which include respecting the unique character and ability of each individual person, trusting each other as equal partners, and sharing a sense of joy through the experience. Since its establishment in 1948, Honda has remained on the leading edge by creating new value, providing high-quality products, and promoting environmental protection and safety in a mobile society.

Hero Moto Corp's strategy goals include expanding its product portfolio, exploring global growth prospects, improving operational efficiency, expanding consumer reach, investing in brand development, and ensuring customer and shareholder happiness.

## II. OBJECTIVE

1. To Analyze the Marketing Strategies and Service Offerings of Hero Two-Wheelers
2. To Examine the Impact of the Split with Honda on Hero MotoCorp's Growth and Performance
3. To Evaluate the Quality and Reach of After-Sales Services Provided by Hero
4. To Understand Consumer Perceptions and Expectations Related to Hero Two-Wheelers

## III. OPERATIONS

Hero MotoCorp has five manufacturing facilities based in Dharuhera, Gurugram, Neemrana,

Haridwar, and Halol. A new manufacturing facility is in the process of being set up in Chittoor in Andhra Pradesh. Spread over 600 acres, the company has invested 1600 crores in setting up this greenfield facility.[1] These plants together have a production capacity of over 7.6 million two-wheelers per year.[2] Hero MotoCorp has a sales [3] and service network with over 6,000 dealerships and service points across India. It has had a customer loyalty program since 2000, called the Hero Honda Passport Program, which is now known as the Hero GoodLife Program. [4] As of 31 March 2020, the company has an annual capacity of 9.1 million units in its eight manufacturing facilities. Apart from these manufacturing facilities, the company also has two R&D facilities, in Germany & Jaipur. [5]. It is reported that Hero MotoCorp has five joint ventures or associate companies, Munjal Showa, AG Industries, Sunbeam Auto, Rockman Industries, and Satyam Auto Components, that supply a majority of its components.[6]Its most popular bike, the Hero Splendor, sold more than one million units per year. [7]Hero MotoCorp launched the XPulse 200 adventure motorcycle in India on 1 May 2019, along with the XPulse 200T touring motorcycle. [8]In January 2021, Hero MotoCorp's production exceeded 100 million. As of 2021, Hero is the only Indian automobile brand to exceed 100 million in production.[9]Hero MotoCorp launched an online virtual showroom in 2021.The equity shares of Hero MotoCorp are listed on the Bombay Stock Exchange, [10] and the National Stock Exchange of India, [11] where it is a constituent of the NIFTY 50 [12]. As on 31 December 2013, the promoters Munjal Family held around 40% equity shares in Hero MotoCorp. Over 601,000 individual shareholders hold approx. 7.44% of its shares, [13]. Foreign Institutional Investors hold approx. 30% shares in the company, [14].As on 31 December 2013, the promoters Munjal Family held around 40% equity shares in Hero MotoCorp. Over 601,000 individual shareholders hold approx. 7.44% of its shares, [15] Foreign Institutional Investors hold approx. 30% shares in the company, [16].

#### IV.METHODOLOGY

This study employs a comprehensive mixed-methods approach to evaluate the advertising and sales promotion strategies of Hero MotoCorp, focusing on the period from 2019 to 2023, [17,18& 19]. The methodology includes the following steps:

##### 1. Secondary Data Collection

Annual Reports: Data from Hero MotoCorp's official annual reports and financial disclosures were analyzed to assess sales performance, advertising expenditure, and promotional activities. Official Website and Social Media Platforms: The Company's marketing campaigns, digital outreach strategies, and promotional materials were reviewed to understand consumer engagement tactics. Industry Reports: Reports from market research firms and industry organizations provided insights into the competitive landscape and market share.

##### 2. Primary Data Collection

Consumer Surveys: Structured questionnaires were distributed to 500 Hero two-wheeler owners across urban and rural regions to collect information on customer preferences, perceptions, and awareness of advertising campaigns and promotional offers. Interviews with Dealership Managers: Semi-structured interviews with 20 dealership managers provided insights into the implementation and effectiveness of Hero's advertising and sales promotions at the ground level.

##### 3. Competitor Analysis

Hero MotoCorp's marketing strategies were compared with those of its competitors, such as Honda, TVS, and Bajaj, focusing on promotional effectiveness, consumer outreach, and sales figures.

##### 4. Data Analysis

Quantitative Analysis: Numerical data from surveys and secondary sources were analyzed using statistical methods to identify trends, correlations, and the impact of promotional activities on sales. Qualitative Analysis: Responses from interviews and open-ended survey questions were categorized thematically to derive insights into consumer behavior and dealer perspectives.

##### 5. Geographic Coverage

The study included respondents from various regions in India to ensure a diverse representation of urban and rural customers, providing a holistic view of Hero MotoCorp's marketing effectiveness.

##### 6. Time Frame

The analysis was conducted for the five-year period from 2019 to 2023, [20], allowing for a detailed examination of recent trends and outcomes in Hero MotoCorp's advertising and sales promotion strategies.

This methodology ensures a robust and multi-faceted understanding of Hero MotoCorp's efforts to maintain its market leadership while addressing consumer needs and preferences effectively.

#### V. UNDERSTANDING CONSUMER PERCEPTIONS AND EXPECTATIONS RELATED TO HERO TWO-WHEELERS

Consumer perceptions and expectations play a pivotal role in shaping the success of any brand, particularly in the highly competitive two-wheeler market. Hero MotoCorp, as a market leader, must align its strategies to cater to these perceptions and meet evolving expectations. The following analysis sheds light on consumer views regarding Hero two-wheelers based on surveys, interviews, and secondary data analysis.

##### Consumer Perceptions of Hero Two-Wheelers\*\*

###### 1. Reliability and Durability:

Hero is widely perceived as a reliable brand offering durable products. This perception is particularly strong among consumers in rural and semi-urban areas, where bikes like the Splendor and HF Deluxe are synonymous with longevity and low maintenance costs.

###### 2. Value for Money:

Consumers often associate Hero two-wheelers with affordability, both in terms of upfront costs and long-term running expenses. The availability of economic models and efficient mileage enhances this perception.

###### 3. Brand Trust and Legacy:

Having a legacy that dates back to its Hero Honda days, the company enjoys a strong emotional connection with long-term customers, who value the brand's commitment to quality and service.

###### 4. After-Sales Service:

The extensive service network contributes to positive consumer perceptions. However, occasional feedback points to variability in service quality across regions, highlighting a potential area for improvement.

###### 5. Innovation and Modern Appeal:

While Hero is seen as dependable, some urban and younger consumers perceive it as lagging behind competitors in terms of cutting-edge technology, design, and performance-focused models.

##### Consumer Expectations from Hero Two-Wheelers

###### 1. Enhanced Design and Technology:

Consumers increasingly expect modern features such as advanced connectivity, improved aesthetics, and electric or hybrid options to align with global trends.

###### 2. Better Performance Models:

There is a growing demand for high-performance bikes and scooters catering to urban consumers and younger demographics.

###### 3. Consistent After-Sales Service Quality:

Expectations include uniformity in service standards, quicker turnaround times, and transparent pricing at service centers.

###### 4. Sustainability Initiatives:

With rising environmental consciousness, consumers expect Hero to offer more eco-friendly models, including electric two-wheelers, while promoting sustainable manufacturing and operational practices.

###### 5. Personalized Engagement:

Modern consumers prefer brands that engage with them through personalized digital marketing, loyalty programs, and customized offers.

##### Insights for Strategy Development

To meet these perceptions and expectations, Hero MotoCorp can:

- Invest in research and development to introduce innovative and visually appealing models.
- Expand its electric vehicle portfolio to cater to sustainability-conscious consumers.
- Standardize after-sales services across all locations to build stronger customer trust.
- Use digital platforms to offer personalized recommendations, loyalty rewards, and interactive engagement opportunities.

Understanding and addressing these consumer insights will enable Hero MotoCorp to not only retain its loyal customer base but also attract a new generation of riders in an evolving market.

#### VI. ADVERTISING STRATEGIES

*Digital Transformation:* Recognizing the shift towards digital media, Hero increased its online presence through targeted social media campaigns,

influencer partnerships, and engaging content. This approach aimed to connect with younger, tech-savvy consumers.

*Television and Print Media:* Despite the digital shift, Hero maintained a strong presence in traditional media, launching nationwide campaigns that emphasized themes of reliability and innovation.

*Sponsorships and Events:* Hero sponsored major sporting events and collaborated with celebrities to enhance brand association with performance and trustworthiness.

## VII.SALES PROMOTION STRATEGIES

*Seasonal Discounts:* Hero offered attractive discounts during festive seasons, aligning promotions with consumer purchasing trends to boost sales.

*Exchange Offers:* To encourage upgrades, Hero introduced exchange programs allowing customers to trade in old vehicles for new models at reduced prices.

*Financing Schemes:* Collaborations with financial institutions provided easy financing options, making purchases more accessible to a broader consumer base.

## VIII.IMPACT ASSESSMENT

*Market Share:* Hero maintained a leading market share, with sales data from 2019 to 2023 indicating steady growth, particularly in the commuter segment.

*Brand Perception:* Consumer surveys reflected a positive perception of Hero as a reliable and value-for-money brand, with increased recognition among younger demographics due to digital outreach.

*Sales Volume:* Promotional activities correlated with significant sales spikes during festive seasons, validating the effectiveness of timed discounts and offers.

## IX.RECOMMENDATIONS

*Enhanced Digital Engagement:* Invest further in personalized digital marketing to cater to individual consumer preferences and behaviors.

*Sustainability Initiatives:* Promote eco-friendly models and practices to appeal to environmentally conscious consumers, aligning with global sustainability trends.

*After-Sales Service Promotions:* Introduce loyalty programs and extended service packages to enhance customer retention and satisfaction.

## X.CONCLUSION

Hero MotoCorp has successfully leveraged its advertising and sales promotion strategies to maintain its leadership in the competitive two-wheeler market. By adapting to changing consumer behaviors, particularly through digital transformation, the company has effectively engaged younger, tech-savvy demographics. Traditional media campaigns coupled with sponsorships and innovative promotional schemes like seasonal discounts and financing options, have reinforced Hero's reputation as a reliable and value-for-money brand.

The analysis underscores Hero's ability to sustain steady growth in market share and sales volumes, particularly in the commuter segment. However, as the market evolves, opportunities for improvement include increased investment in personalized digital marketing, a stronger focus on sustainability, and the enhancement of after-sales service offerings.

By addressing these areas, Hero MotoCorp can not only meet the growing expectations of environmentally and digitally conscious consumers but also secure its position as a global leader in the two-wheeler industry. Hero's commitment to innovation, customer satisfaction, and strategic brand development will be instrumental in navigating future challenges and sustaining its success in the ever-changing automotive landscape.

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