



Cooperative Education Report

Market study to establish a new car brand in Nepal: Borgward

Written by:

Mr. Sandesh Acharya

Student ID: 6008040002

This Report Submitted in Partial Fulfillment of the requirements for

Co-operative Education, Faculty of Business Administration

Academic Semester 1/2020, Siam University.

Department: Bachelor of Business Administration (Finance)

Academic Advisor: Aj. Sabbir Hossain

We have approved this cooperative report as a partial fulfillment of the cooperative education program semester 1/2021.

Oral Presentation Committees



(Aj. Sabbir Hossain)
Academic Advisor



(Mr. Surendra Pradhan)
Job Supervisor



(Mr. Rashminda Attanayake)
Cooperative Committee



(Asst. Prof. Dr. Maruj Limpawattana)

Assistant President and Director of Cooperative Education

Acknowledgement

I would like to thank Siam University and Kathmandu College of management for incorporating 14 weeks of internship as a part of our curriculum which has been a great learning experience. This opportunity has allowed me to gain a firsthand experience of the corporate world before pursuing my Master's degree.

I would also like to thank Mr. Surendra Pradhan and Mr. Dev Mahshworoop Maharjan for allowing me to intern for DSM Global Pvt. Ltd. I am also very grateful to all the staffs of the organization for providing me with a friendly environment that made the learning process even more smooth and effective. I would also like to thank 2 of my superiors Ms. Vineeta Kumari Thapa and Mr. Saurab Bajracharya for mentoring me throughout my internship period.

I am so grateful for having a chance to meet so many wonderful individual and professionals who led me through this internship period and encouraged me throughout my working days.

Sandesh Acharya

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Project Title : Market study to establish a new car brand in Nepal: Borgward
Credits : 6
By : Sandesh Acharya
Advisor : Aj. Sabbir Hossain
Degree : Bachelor of Business Administration
Major : Finance and Banking
Faculty : Business Administration
Semester / Academic year: 2/2020

Abstract

This Cooperative report entitled “Market study to establish a new car brand in Nepal: Borgward” incorporates a journey that a company embarks upon while launching a new car brand in Nepal. Objective of the study includes: (1) To understand the procedure of a new product launch (2) To understand the importance of research and marketing while establishing a new brand (3) To understand the procedure for studying competitors and consumers (4) To get an insight regarding the compact SUVs segment in the automobile market in Nepal.

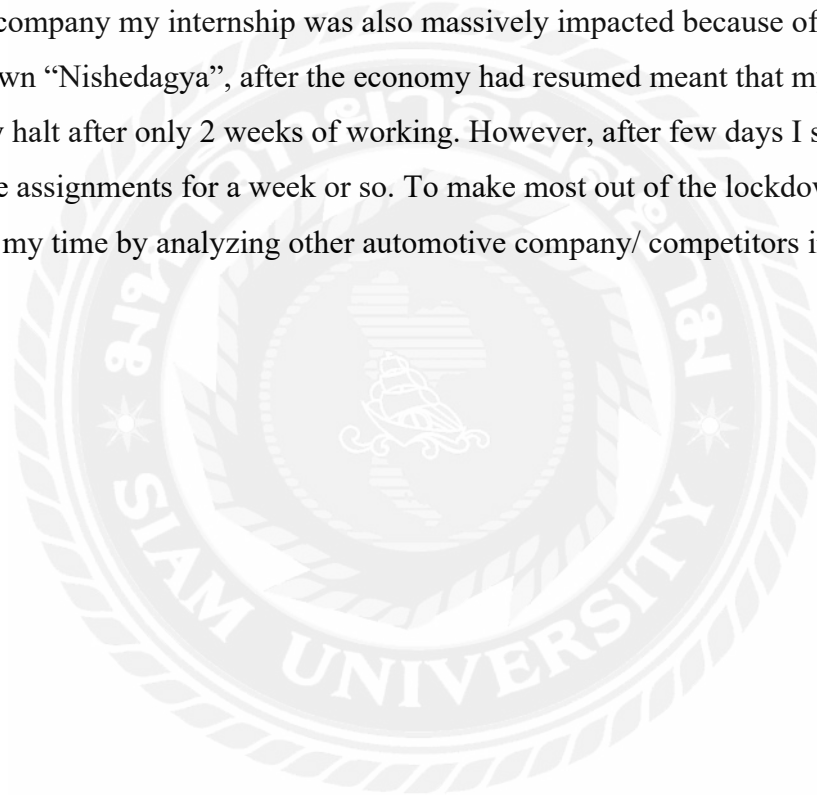
This report reflects various task carried out by the students during internship, problems encountered during the internship, learning and knowledge gained and self-assessment as a future professional. With the company I was assigned to work as an Marketing research intern under the supervision of the Sales and Communication Coordinator and the Sales and Marketing Associate. My responsibilities started from gathering information on the existing competition and preparing a thorough comparative analysis to better understand our position in the market. My other responsibilities included handling queries on social media, dealing with potential customers while conducting test drives, researching on potential marketing opportunities and dealing with 3rd party for outsourcing photography and videography for the social medias and other platforms.

Keywords: *Market research, Compact SUVs, Placement, social media, Automobile Sector*

How Covid-19 has affected the company and your internship?

The global pandemic has affected the company as well as my internship massively. The shipment of the cars and the spares were delayed. Company's initial plan of launching the car was delayed by about 6 months. During the lockdown period it was impossible for the company to move forward with its marketing plans because the vehicles arrival was delayed as well. The construction work for the showroom and the service center was also halted indefinitely.

Along with the company my internship was also massively impacted because of Covid-19. The imposed lockdown "Nishedagya", after the economy had resumed meant that my internship came to an early halt after only 2 weeks of working. However, after few days I started getting work from home assignments for a week or so. To make most out of the lockdown situation I utilized most of my time by analyzing other automotive company/ competitors in the Nepalese market.



Chapter 1: Introduction

In this chapter, the background of DSM Global is presented to provide the readers information. The company profile, the organizational structure of the company, my motivation to choose this company as my workplace for training, and company strategic analysis are included as follows:

1. Company profile

Valley Group of Poultry Industries is a well-known brand name when it comes to the poultry sector in Nepal. Valley Group of Industries started as a small startup company “Valley Cold Store”. Valley Cold Store was established as on 1981 as a small company by 3 young minds - Mr. Shrikrishna Ghimire, Mr. Sanubabu Bindukar & Mr. Harikrishna Rawal.

All three founding partners of Valley Cold Store were employed in similar lines of business previously. They were all looking for opportunities to be self-employed as well as to create job opportunities for others. So all three together came up with the idea to start a small meat store which started its first operation on August 17, 1981, under an agreement of equal partnership among the three partners which eventually transformed to the Valley Group (Inc). Valley Group has now diversified and expanded its business by establishing more than 20 different subsidiaries to date. With 30 years of hard work, the business house is now supported by the vision and mission of the second generation fully focused on the growth of the company.

Mission Statement: *Valley Group has aimed to be the ultimate choice for premium quality in the poultry sector focused on the production of chicken items for impeccable taste, exceptional services, reasonable price and healthy customers.*

Vision Statement: *To mark its presence in all 7 provinces of Nepal within 2025.*

DSM Global Company is one of the sister concerns of the Valley Group that started its operation from the year 2019 in automobiles to deliver the best quality product in the market for its customer. It has been established by the Expertise from a strong multi brand automotive distributor who has 2 decades of experience in this field. The company mainly focuses on environment friendly automobiles by introducing electric and hydrogen vehicles in Nepalese

market. The company takes the initiation to participate in reducing Co2 emission and save money that is being spent outside the country every year. It, therefore has the opportunity to leverage potential market not only contributing to cleaner air in Nepal but also consuming home grown electricity. It considers a matter of pride for Nepalese and also helps contribute domestic growth.

Mission Statement:

To attract and attains customer with high-valued products and services with the experience of most satisfying ownership experience in Nepal.

Vision Statement:

It has a vision to focus on environment friendly automobiles and to be the best service provider nationwide.

Strategies of the company:

- Provide excellent sales and after sales service to achieve customer satisfaction and to gain word of mouth marketing along with customer loyalty.
- Creating a user-friendly web experience.
- Promoting the use of electric vehicles and to appeal through its merits especially on the environment.
- Target a niche market segment of premium car consumers and to incite a feeling of exclusivity with association with the brand for the consumers.
- Actively indulge in social media marketing.

2. Organization Structure

2.1 Diagram of the organizational structure

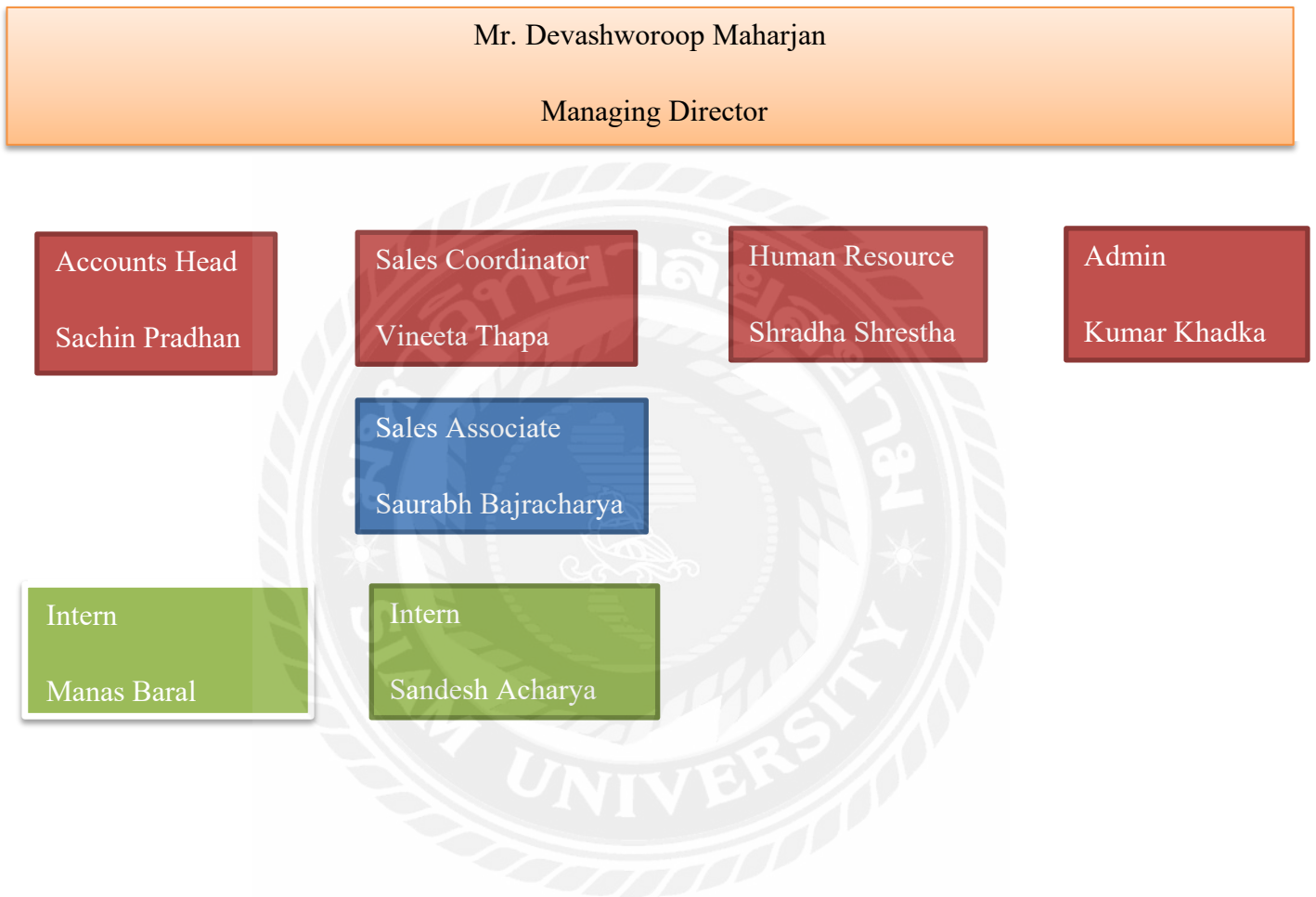


Fig 1: Organization Structure

2.2: Internship Position:

As observed in the organizational chart for the company my position is that of a research and marketing intern working under the supervision of the sales team.

2.3: Your job position in the company's organizational structure: I held the position of an intern in the organizational structure as it can be seen in Fig.1. I worked under the supervision of the sales team. However, the communication process was very flexible as for me to communicate something to the Managing Director, I could do it directly. Some suggestions and feedbacks were passed on to me directly by my seniors without being restricted to the organizational communication chart.

3. Your intention and motivation to choose this company as your CO-OP studies workplace.

I chose to intern in this company because I was always interested in working in a business that is at the induction or the introduction phase. However, I also wanted to experience a proper corporate culture that you find in established companies. Here at this organization I experienced both as the parent company is a well-established company to experience the corporate culture and interning at its new venture, DSM global, gave me the opportunity to also gain the experience that I would get in a start-up.

3.1 Statement of the Report

It is with great pleasure, I, Sandesh Acharya, hereby declare that the presented internship report titled as "Market study to establish a new car brand in Nepal: Borgward" working as an intern in this organization I used to work at Research Department. It was a great experience to work in this business environment to gain both theoretical as well as practical knowledge. I also confirm that the report is prepared for my academic requirement not for any other purpose.

4.Strategic Analysis of DSM Global

4.1 SWOT analysis

Strengths:

- Reliable German Engineering as German cars are most trusted in the automotive industry.
- Century long history gives a sense of pride and trust.

- Premium experience as the car incorporates all the premium features available in the cars of its kind in Nepal and also has additional features which is very new such as- Hill Descent and Ascent control, 8 airbags, Panoramic moon roof, etc.
- Suited for Nepalese terrain with mileage, ground clearance, body type etc.

Weaknesses:

- Unrecognized brand name in Nepalese market as there are already established companies.
- Weak distribution channel as it only has a showroom and service center in Kathmandu.
- Lack of promotion
- Lack of options for all income groups as it has introduced a premium compact SUV and the price range starts from 90 lakhs Nepalese rupees (Approx. \$90000) which is very expensive for a country like Nepal where per capita income is only 3600 Nepalese rupees (\$36).

Opportunities:

- Favorable subsidies and tax exemptions for Electric vehicles by the government.
- Lack of premium car brand options for consumers in Nepal as major premium brands are yet to enter the market.
- Rising income levels of the citizens.
- Improved roadways and related infrastructures across the country making it possible to expand the distribution channel and to improve the customer base.

Threats:

- Ongoing global pandemic causing economy to shrink along with the disposable income for consumers to spend at non necessary items.
- Other renowned luxury car brands like Tesla, BMW etc. entering the Nepalese market and quickly capturing the market share of the premium car segment.
- Unstable government therefore unreliable policies making harder for companies to make long term plans and rely on it.

5. Objectives of the study

This study shows the application of theoretical knowledge accumulated over the course of the BBA studies in Finance and Banking.

The objective of the study includes:

- (1) To acquire practical knowledge for launch of new brand
- (2) To understand the importance of research and marketing while establishing a new brand
- (3) To understand the procedure for studying competitors and consumers
- (4) To get an insight regarding the compact SUVs segment in the automobile market in Nepal.
- (5) To handle customer enquiries and sales process

Chapter 2: Internship Activities

In this chapter, my job descriptions, job responsibilities, job process and contributions to the company are presented as follows:

1. Job Description

I was assigned the role of a research intern. My intern colleague along with myself would work under the assistance of our immediate supervisors – Ms. Vineeta and Mr. Saurabh and would perform the required research. We would also be asked to interpret the research conducted and present it to them and ultimately to the Directors.

2. Roles and responsibility of the student

My responsibilities started from gathering information on the existing competition and preparing a thorough comparative analysis to better understand our position in the market. My other responsibilities included handling queries on social media, dealing with potential customers while conducting test drives, researching on potential marketing opportunities and dealing with 3rd party for outsourcing photography and videography for the social medias and other platforms. I was also assigned with some data entry work for all the information gathered from all the consumer surveys done via- test drives and online surveys. I was also assigned with preparing meeting minutes for various meetings that I attended during my internship tenure. I also assisted my supervisors whilst dealing with suppliers and also while dealing with consumers.

3. Activities in coordinating with the workers

In my tenure at DSM Global, I coordinated mostly with 3 people of which 2 of them were my supervisors- Ms. Vineeta Thapa and Mr. Saurabh Bajracharya and my colleague Mr. Manas Baral. I was assigned task directly by the Sales Coordinator and sometimes indirectly through the Sales Associate. As mentioned before the communication wasn't strictly confined to the organizational channel as sometimes other superiors who are not in the DSM department would assign me and my colleague with works like- briefing potential customers, and to do some minor research work for their department.

I conducted almost all of the assigned tasks by coordinating with my colleague. We were assigned a cubicle that we shared to complete our assigned tasks for the day.

4. Contribution made during the internship.

Firstly, I was tasked with preparing an in-depth comparison for all the comparable compact SUVs based on their features, specifications, price etc. I along with my colleague we compared 25 comparable cars of 20 of our competitors on the basis of its Engine, drive train, power, torque, dimensions, transmission, driving modes, mileage, price etc. We mostly used the secondary data from the internet from multiple sources and also for some cars we visited the showrooms and referred to that primary source of information we received.

Secondly, I contributed in making meetings fruitful as I was assigned to make minutes of meetings. I contributed in preparing the first ever vlog for Borgward in partnership with Nepali Auto Channel named “Carmandu”. I coordinated with their team and contributed in completing this one-day project successfully. I also assisted my supervisors whilst dealing with suppliers and also while dealing with consumers. I was also assigned with some data entry work for all the information gathered from all the consumer surveys done via- test drives and online surveys. I assisted my supervisor by using the collected information and by inputting it into SPSS software to draw some conclusions.

I also volunteered for assisting my supervisors with the legal and governmental works that had to be done for the cars. The works included registering the vehicles with the Nepal Transportation Authority and also with other authorities.

Me along with my colleague were responsible for partnering with Nepal’s no.1 premium Car Wash and maintenance service provider in order to provide the Borgward car owners in Nepal with free premium service by benefitting from the partnerships.

I also contributed in many promotional activities for the car including promoting the car by displaying it well researched areas like premium shopping malls in Kathmandu and places like Durbarmarg and Jhamsikhel where we believed it will be visible for most of our targeted customers.

Chapter 3: Identification of problems encountered during the internship

1. Problems/issues of the company

The initial problem encountered with the company was mainly because of the lockdown. The company initially aimed on launching the cars targeting the NADA Auto show. However, due to the pandemic the company was left with no option but to delay the launch. During the lockdown period it was impossible for the company to move forward with its marketing plans because the vehicles arrival was delayed as well. The construction work for the showroom and the service center were also halted indefinitely.

From the general point of view the major problem for the company is that the brand Borgward is unheard of despite being one of the top 3 car manufacturers in the compact SUV segment in Germany. So, our major task was to generate awareness for our brand in the Nepalese market.

2. How to solve the problems

The solution to the first problem was identified will be to work on online launch program and focus more on social media marketing, collect necessary primary data from online surveys and forms.

Currently in my opinion, the allocated budget and resources are both inadequate with the current scenario. With most of the population staying at home it is important, wherever possible, for businesses to adjust their offerings to help their customers engage with their brand and products from home. Using paid and organic social media posts can be extremely effective in promoting our offerings to current and prospective customers. Creating a paid advertising campaign on social media platforms such as Facebook and Instagram can be highly targeted to reach people within a specific geographical area, from specific age groups and with interests relating directly to our brand.

The solution for lack of brand awareness as already mentioned is to focus massively on social media marketing and conduct an online launch program. It is challenging to know what is around the corner. However, it is recommended to create a relaunch strategy ready for when the restrictions are finished. The COVID-19 Pandemic has demonstrated that change can occur quickly. Just as promptly as businesses were closed, restrictions may end just as quickly once we're safely on the other side. Therefore, I suggest DSM Global to be ready and agile and create a marketing communication strategy with a strong focus on social media and have it ready to go as soon as the Government gives the green light.

3. Recommendation to the company

The pandemic has affected the entire world and left a deep impact in every area of the economy. Businesses have shutdown, the unemployment rate has been increasing. this was a tough time for all the businesses we at fightback also were affected by this pandemic. The recommendations for the company are as follows:

- Invest more resource into social media marketing.
- Focus on sales maximization rather than profit maximization.

4. What you have learned during the Co-Op studies?

- During my internship period of 4 months at the company I've had the opportunity to learn and gain knowledge of many important things that are necessary to survive and to succeed in a corporate world. Here are various things that I have learnt during the internship at DSM Global Pvt. Ltd. They are enlisted below:

This internship has been a total learning process and has taught me a lot of things and I would like to break down those things under following subheadings.

1. Communication

It is the most integral part of any internship. If the company isn't able to convey the message, they are trying to deliver no matter how good their services are, they won't get the customers attention, and everything will go in vain.

2. Developing public relations

I have realized how public relations can make the business go from one level to another in no time. During my time there, I had seen that majority of the new customers came from former customers and this is the case for majority of businesses in Nepal. People mostly go with word of mouth here. So, if one wants to run a business here, it is important to establish and maintain good relations with everyone.

3. Proper Planning

This step must be included by every company at every step of their activities. Proper planning allows us to be prepared and take actions accordingly. This also saves so much time which can further be used in doing something productive. I learned how proper planning reduces wastage, minimizes cost and helps in addressing various problems.

4. Co-ordination

All the members at the company play an equally important role towards achieving the goals and objectives of the organization. Therefore, it is crucial to co-ordinate with every department in order to understand their viewpoint and be accountable for your work in order to facilitate smooth functioning and main healthy environment in the company.

5. Accounting Software

As maintain records is the most important duty of the accounts and finance department, I got to learn how the entries are recorded in the accounting software, which helps the company save a lot of time as all the information needed is just one click away.

Customer dealings:

I learned how customers should be treated, how their queries and feedbacks should be handled and how the test drives should be conducted by initially assisting my superior Ms. Vineeta Thapa and later on by implementing it myself with the customers. It is the most integral part of any internship. If the company isn't able to convey the message, they are trying to deliver no matter how good their services are, they won't get the customers attention, and everything will go in vain.

Competitor's analysis:

I learned how a company compares its new brand or a new model with its competitors that exist in the market. I got the chance to work in this small project assigned to our team by our Managing Director which was to compare and analyze our BX5 1.4 and BX5 2.0 models with all the premium compact SUV cars like that of Toyota, MG, KIA, Hyundai, Nissan etc. We prepared a thorough comparison of 20 car brands in Nepal.

Communication skills:

My communication skills were put into test while dealing with customers and other enquirers while displaying our car models. With each passing working day and with the advice of my supervisor my communication skills improved during this period.

Improved public speaking skills:

I got the opportunity to be part of the team to present the competitor analysis report we prepared to the directors of the company. With the feedbacks I received from my superiors I believe I learned a lot.

Digital marketing and social media handling:

During the second half of my internship period, I also was assigned to handle social media queries, prepare posts drafts for our social media. I was also included in meetings to discuss and brainstorm possible digital marketing strategies that the DSM Global could adopt

Developed Networking:

Daily interactions with staffs and customers have broaden my networking skills.

5.How you applied the knowledge from coursework to the real working situation?

This internship has provided me with the opportunity to gain practical experience based what we learn in our classrooms. The Co-op report also helped me relate the theories I studied in school to the technical work environment that is used in relation to my roles and duties.

Most importantly, from the “Business Research” and related subjects I learnt how to conduct a comprehensive research by performing Data collection, data segmentation, and use software like Excel, SPSS etc. to draw meaningful conclusions. I used that learning directly throughout my internship tenure and especially during the major task that I was assigned with which was to prepare a comprehensive comparative research on all the major competitors of compact SUV brands in Nepal.

The marketing subjects in my course ensured that I was familiar with most of the corporate and marketing jargons that were being used in the workplace and also while dealing with customers. Subjects like “Psychology” and “Sociology” allowed me to better understand customers queries and on how to handle them and also wide range of workplace situations.

The presence of Presentation for all the subjects throughout the coursework helped me in honing my presentation skills which I was able to demonstrate in the presentations.

6. Special Skills and New Knowledge I gained from the Co-Op Studies:

- 1) Research and presentation skills: My first responsibility was to carry out research to verify my research results with supporting evidence. I learned how to prepare a sales and product for real potential customers, a major achievement in my career. After I presented, it gave me a lot of confidence and I learned the value of analysis and practical plans.
- 2) Professional Communication: This working experience provided my opportunity to meet stakeholders, who contributed to the smooth operation of the company. It wasn't a simple task, however. Often there will be miscommunications that would result in additional costs to the business. The lesson from this is that our company is run by these stakeholders and that all parties should remain open for contact. We should maintain a cordial relationship with them.
- 3) Agility idea: I had a new concept for a flexible work schedule. However, this shows that I do not have to deal with long hours of work but only with the division of work priorities and with the ability to complete all assigned tasks. This also gave me the freedom to choose what I do and how to do it as long as I follow the expectations of success.

Chapter 4: Learning Process

In this chapter, summary of the study as well as work experience evaluation, limitations of the co-op studies, and recommendations will be presented.

1 Summary of highlights

Working at DSM Global provided me with a lot of opportunities to excel my professional competencies and build my potential. The organization was instrumental in assisting me in comprehending the value of a team and the atmosphere in which one works. This internship forced me to reconsider my own strengths and limitations, allowing me to hone my strengths and turn my deficiencies into assets. I was able to grasp the fact that possibilities and chances are all around us if we can just seize them at the right time and put them to good use

An internship opportunity is a fantastic way to assist someone in becoming a better version of themselves. This internship taught me how to manage multiple tasks at the same time. I also understood how critical it is to be open-minded and to accept your mistakes, because we are all here to learn at the end of the day. Only with this mindset will we be able to go forward, make a name for ourselves, and get a competitive advantage in the future. At DSM global, I was able to spend crucial months submerging myself into the corporate culture which was a unique and fruitful experience for me. I met a lot of people who have had great influence in me and also, I was able to make many new connections within and outside the automobile industry which I believe will be helpful in my career. From a person who had little work experience and little knowledge about the automobile sector, I came out of the internship with a solid 6 months internship experience and proper knowledge about the automobile industry of Nepal.

In a nutshell, an internship opportunity is critical for any business student who wants to learn about a company or industry that interests them in order to succeed in their future pursuits.

2 Self-assessment as a professional

One of the most important lessons I learned was that things do not always happen according to the theories. For a given circumstance, a theory remains the same everywhere; nevertheless, actual learning is influenced by a variety of external influences. Practical learning is influenced by the people you are learning from or working with, as well as the environment in which you are working.

In addition, I was able to improve my communication and interpersonal abilities. The life of a college student and the life of an employee are vastly different. The first thing we need are social skills that will help us succeed in the workplace.

During the internship, I collaborated with other interns and learned about the industry. I also learned how to adapt to the office environment. There is a specific manner to interact with coworkers. In Nepal, I discovered that public relations is a critical component for enterprises. As a result, the ability to maintain such relationships is critical.

3 Limitation of your Co-op studies

The Covid-19 pandemic has triggered a worldwide emergency. It has had an impact on everyone's way of life. People all around the world have embraced social separation and lockdown as safety precautions to reduce and control the spread of the virus as a result of the catastrophe.

The Government of Nepal ordered lockdown on March 24 as a precautionary step to control the COVID-19. After the lockdown, I had to use all of the precautionary steps

while commencing my internship. During the second lockdown, I was also forced to work from home.

This unprecedented epidemic situation cost me time that could have been spent researching and comprehending the social service business more thoroughly. To make the most of my circumstance, I spent the most of my time researching about the automobile industry in Nepal and the scope for a new compact SUV brand in the Nepalese market. I also did research on automobiles technicality to better prepare myself for customer dealings.

4 Recommendation for the company

I would like to recommend the following things to the company:

- The company should add a greater number of youths in the organization to get more work done.
- The employees must be encouraged to communicate more.
- Invest more resource into social media marketing.
- Focus on sales maximization rather than profit maximization.

One major recommendation based on what I experienced would be for the company to have contingency plan prepared for such extreme situations like a nation-wide lockdown by investing on training employees and providing them platform to work from home conveniently. Further, I would recommend the company to open service centers and showrooms in all the major cities in Nepal as early as possible because it is one of the major factors that could boost or hinder our sales. Thus, from my internship experience of dealing with consumers I believe that the company should ensure its presence in most of the major cities in Nepal.

Another recommendation is to train the front-line staffs to behave and dress up professionally when they are dealing with the customers and other parties as it is important to earn a correct impression from them which I saw was lacking in our competitors where we went to visit for our research.







