

A Case of “Two-Fold Growth-Capturing Domestic and International Markets” – A Case Study of Vega Helmets, Belagavi Karnataka, India

M.M. Munshi¹, S.K. Deshpande², V.R. Hundekar^{3*}

¹Department of MBA, Visvesvaraya Technological University, Belgaum, Karnataka, India

²KLS IMER, Belgaum, Karnataka, India

³KLS, Gogte Institute of Technology, Belgaum, Karnataka, India

ABSTRACT

Exploring foreign markets is an audacious business strategy, it enables the business organization to sniff fresh air to get a new lease of life, and the successful tale of “Vega Auto Accessories Pvt. Ltd” is a testimony of how to make hay while the sun shines. It relies on catering to the “Safety and security needs of the bikers against the road accidents while also providing them with a luxurious, comfortable two-wheeler experience”. The case elaborates about making successful business venture within the stipulated legal framework through expansion. Quality and loyalty have been the hallmark of Vega Auto Accessories Pvt. Ltd a helmet manufacturing company to transcend the national boundaries and make inroads into overseas markets. This case elucidates about successfully implementation of change management process through precise business operations Vega Auto Accessories Pvt. Ltd with keep abreast with latest changes in trends in business sector and customer preferences.

Keywords: bikers, change management, foreign markets, helmets, quality

***Corresponding Author**

E-mail: vanirhj9@gmail.com

INTRODUCTION

The Organization – Vega Auto Accessories

Belagavi (formerly called as Belgaum) district is the fourth largest in the state of Karnataka, traditionally known as the ‘sugar bowl’ of Karnataka; Belagavi has been one of biggest producers of sugarcane. Perhaps, this ‘sweet production’ must have prompted many businessmen in the region to prepare various kinds of sweet products over the years. It also is a major producer of milk in the state, almost 1/3 or 30% of the state’s production [1]. Belagavi city in particular is known for its salubrious climate round the year, and as a transit point between Goa and Maharashtra, despite being plagued by boundary dispute. It has never lost its spirit to excel and acquire a place amongst the coveted cities, as envisaged

by the fact that, it is listed as the smart city in the first phase announced by govt of India. Belagavi city is an abode for many elite schools and colleges; no doubt it is a hub of education in northern part of Karnataka. Belagavi has also been a beacon for industries with more than 200 foundries housed in the industrial estates of the city. automobile majors like Mahindra and Mahindra, Bajaj Auto, Ashok Leyland, Tafe, caterpillar and engineering companies like Kiroskar Oil Engines Ltd, Alfa Laval, and Simpsons are some of the companies outsource castings and other crucial accessories to Belagavi. These foundries export the goods to countries like the us, Germany, Belgium and west Asia. China and generate a turnover of more than 700 crores put together besides large-scale employment opportunities [2].



Source: www.vegahelmets.com.

About the Organization

Vega Auto Accessories Pvt. Ltd is a family business enterprise based out of Belgaum, Karnataka India was incorporated in 1982 as the pilot entity of the Vega Group of Companies. Under the able stewardship of the Chandak's, Vega has powered its way to become one of the leading helmet manufacturers in India, competing with the world leaders with respect to design, process and product quality [3]. The company's ideology of Safety coupled with Fashion has become a pioneer in promoting helmets as Designer Head Gear. Its vast range has been approved by the Bureau of Indian Standards (ISI) 4151 – Standards and Specification vide 9526–1980. It has added another feather in its cap by having passed the stringent test of the Department of Transports – U.S.A. (D.O.T) Vega is ably supported with its wide network of over 400 dealers crisscrossing the length and breadth nationwide and has also left its footprint overseas on the shores of USA, Germany, Israel and Italy Angola, Nepal, Thailand, Sri Lanka, Bangladesh and UAE. The vast range of products has all surpassed safety standards such as ISI, DOT, and ECE.

REASONS TO START THE FIRM

Initially the family of Chandak's was running a textile business which collapsed. In the mean while the Govt's promulgation of a rule which said wearing of Helmets by the Bike Riders to be mandatory came as a blessing in disguise. That rule turned out

to be a great opportunity to start up in the year 1981.

MARSHALLING RESOURCES (4M'S)

Till 1993 there was issue of availability of raw material the company then selected few cities nearby which will be easy for raw material supply i.e. Pune and Chennai when there was desired supply of raw materials the production was increased and from the production of 17 helmets/per day it increased to 8000/per day till date. Friendly relationship and timely payment for the raw materials improved connection with the suppliers. Therefore, the suppliers also found it an opportunity to increase their own profits.

Men

Labour was easily available at labour cost from rural areas nearby Belagavi and because of the location of the company in the industrial area the labour supply was not an issue.

Machine

Initially there was shortage of advanced technology and skilled labour the production remained to be 17/per day later the demand increased the machinery and technology was introduced to boost up production and make the company highly competitive in terms of technology.

Money

Earlier there was shortage of funds because of the collapse of textile business but there was an opportunity in the helmet business there was no looking back as the govt had passed the rules that helmets are mandatory to each and every one to drive bikes which turned out to be a great opportunity to earn good amount of money.

SUCCESSFUL HR PRACTICES – INTERVENTIONS

HR of Vega is cushioned with medical support at the workplace, Employee Loans are being provided to people to satisfy their personal needs. Children school fees are nominal rate of Interest. Religious and Efficient way of employee grievances redressal is a key element in HR

operations at Vega of the employees every day. A flexible working change the working environment is a crucial element at Vega to appeal workers psychology, incorporating Social Values amongst the employees is also an HR practices which could well boost the employee confidence. To increase dedication and commitment the company provides additional bonus every month to reduce absenteeism if the attendance of the worker is full, the employee is given an option to choose any type of training for self-development after the performance appraisal feedback is shared with him.

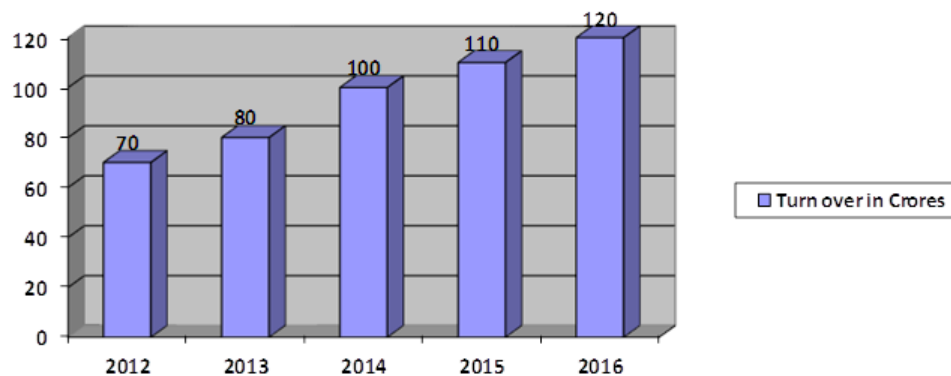
Current Status and Challenges

The current challenge for the company is increasing demand wherein they are not

able to meet the demand and there is huge gap between the demand and supply. Due to increased safety awareness and high rate of accidents the demand for the helmets has increased and the company currently is facing challenges to boost its supply in the market.

Financial Standing

Vega has been making a steady progress in terms of final performance financial year. For the first time in 2014 financial year it has entered 100 crore club. Vega Aspires to carry forward the progressive trend in the days to come with all the exuberance. The upscale growth is certainly encouraging and evidence of the rising grandeur.



Source: www.vegahelmets.com.

TECHNICAL INTERVENTIONS

Vega with capacity of over 5000 helmets per day. Various ways of moulding like, FRP hand lay ups, RTM, balloon moulding, plastic injection moulding. A Hi Tech Paint Shop with both polyurethane and ultra-violet (UV) coating systems. Highly equipped stitching unit. Its in-house vacuum metalizing machines and deep coating plant gives best finish of chrome and nickel on helmets and various shades of mercury coatings on visors. The testing lab is designed to test the toughest safety standards in the world like ISI, DOT and ECE. To add to this, Vega utilizes latest technology from A to Z, thus completing the cycle in helmet manufacturing keeping all parameters and

ultimately offering the buyer a wide range of options. The entire development and production is contrived over 100,000 sq feet area of a beautiful building with state of art technology [4].

MARKETING INTERVENTIONS – SHIPPING AND DELIVERY

Transportation address, stick code will be checked with the database of Vega before the clients continue to pay for Customers buy. In the occasion case arrange isn't serviceable by our conveyance accomplices or the dealer or the territory isn't secured, VEGA would ask for the clients to furnish them with another transportation deliver which they hope to have on their accomplice/trader's

conveyance list. In the event that there is any question with respect to the shipment of the item or administrations for the territory not secured by Vega, in such cases Vega would not be in charge of the non-conveyance of the item. In the event that clients book various requests for the Products and Services in a single exchange, Vega would try to send all Products together. Be that as it may, this may not generally be conceivable because of some item qualities as well as coordination's issues. In the event that clients buy various Products in single exchange, at that point every one of the Products would be dispatched to a solitary delivery address given by Customers. On the off chance that clients wish to dispatch Products to various locations, at that point Customers should book the requests independently in light of the conveyance addresses [5].

MARKET ANALYSIS

India has one of the biggest bike populaces on the planet. With protective caps being an obligatory prerequisite in India, the industry has seen critical development throughout the years. The current command of mandatory head protectors for the pillion riders in 2014 has made the business a lucrative business choice for players because of the anticipated upsurge in deals. As per the administration, all protective caps that are fabricated in India must pass Bureau of Indian Standards (ISI). Notwithstanding, the neighbourhood uncertified producers drive the protective cap business and just 45% of this market is sorted out. As per 2013 appraisals, the composed business is esteemed at Rs. 400 crores. Vega Helmets is a noteworthy player in the sorted out market and is one of the main three ISI affirmed head protector brands sold in India. More than 33 years of heritage in the market, Vega has cut a specialty for itself. It offers its protective caps through a system of merchants' and as of late instated retail outlet in Goa. The normal cost of a Vega

cap ranges from \$16 to \$32. Its essential rivals are Studds, Steelbird, Wrangler, Yamaha and Fastrack [6].

SALES THROUGH E-COMMERCE

Despite the growing retail market, the helmet industry is at a nascent stage in the digital and e-commerce space. To keep pace with the expanding e-commerce bubble in India, Vega and its dealers are catering to the increasing product demand at popular e-commerce giants such as Flipkart, Snapdeal and Amazon. The statistics for projected or historical online sales of helmets and online customer demographics in India are not available. However, online sales at company's official website remain unimpressive. Vega Auto's target audience consists of two-wheeler riders between the ages of 16–35. The company's primary target is the male rider but lately they have incorporated helmets designed for women as part of their new product line. According to their Facebook Page statistics, 73% of their page audience is between 16 and 24 years of age. This gives us a clear understanding of the potential customers of Vega who are active on the Internet. According to Google Analytics, 78% of the website traffic results from organic search ratifying the expected benefits of an AdWords campaign.

CURRENT MARKETING

Vega Auto has generally centred on disconnected systems to push deals. It routinely promotes through daily paper advertisements and advertisements in a famous magazine called Auto India. It oftentimes participates in occasions, for example, bicycle revives and road occasions. It additionally keeps up a site called www.vegaauto.info feature whole product offering and empower online deals. At the point when hunt on Google down 'Vega Helmets', the site has Organic Search Rank of 2/10. For other famous catchphrases, Vega includes on the main page of list items in changing positions.

Already, Vega has run Facebook support page crusades and furthermore executed an Instagram challenge. It has a decent after on Facebook and Instagram with general posts and remarks on the pages. As a feature of web based advertising exercises, Vega posts photos of its items and fan sections on Facebook and Instagram. Vega is likewise present crosswise over other web-based social networking, for example, YouTube, LinkedIn, Google+ and Twitter, yet the records are not consistently refreshed. Regardless of the expanded showcasing endeavours in the advanced field, Vega has never run an AdWords crusade [7].

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