

Report On
Analyzing the current market situation and future potential of Rasel
Industries Ltd in Mymensingh division



By

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An internship report submitted to the BRAC Business School in partial fulfillment of the
requirements for the degree of
Bachelor in Business Administration

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Declaration

It is hereby declared that

1. The internship report submitted is my own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

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Letter of Transmittal

06- 01 -2020

Subhat Ehsan

Lecturer

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Sub: Submission of final internship report for completion of BBA Program

Dear Faculty,

I am pleased to submit my Internship Report on “Analyzing the current market situation and future potential of Rasel Industries Ltd in Mymensingh division”. This report was part of my assignment during my intern at

Rasel Industries LTD

I have prepared the report while working as an executive in with my supervisor Rasel Industries LTD and consulting with you. I am submitting my internship report and I will be grateful if you accept this report.

Thank you.

Yours Sincerely,

Quazi Tanveer

ID: 14104090

BRAC Business School

Acknowledgements

I would like to thank my supervisor at Rasel Industries LTD (RIL), Mr. Samsul Bashar, Director Sales and Marketing (RIL) for appointing me as an Executive in Rasel Industries LTD. I would also like to show my gratitude to Mr. Mahmudul Hasan Babul, Assistant General Manager (AGM), Sales and Marketing (RIL) for his guidance and continuous advice in completing my internship report. Most importantly I would like to show my deepest gratitude to Mr. Nurul Absar Rasel, Chairman (RIL) for believing in me and my abilities.

I am in debt to my internship instructor, Ms Subhat Ehsan for her instructions and kind support making this report more meaningful. I would also like to thank all my colleagues at Rasel Industries LTD for their nice cooperation at RIL.

Finally, I like to show my gratitude to my loving parents for their never ending support for completing my internship program and the report as well.

Executive Summary

Rasel Industries LTD (RIL) is one of the most rising force in the automobile sector in Bangladesh. With a loyal customer base they are the pioneer in providing value for money motorcycle to the people of Bangladesh. RIL has cemented their position in the 150cc to 165cc segment. RIL is the sole importer and distributor in of Lifan, Victor-R and Motocross motorcycle in Bangladesh. The brand RIL has their focuses on customer satisfaction and customer service above their profitability. It has been the key to RIL's success so far. RIL's most famous brand is Lifan. Lifan has some premium bikes in the 150cc-165cc segment. I am posted as an executive in Sales and Marketing Department. My job is to maintain relation between RIL and their dealers in Mymensingh division which includes six districts: Mymensingh, Jamalpur, Sherpur, Kishorgonj, Netrokona and Tangail. In my internship report I am going to analyze the current market situation based on the overall industry and also predict the future potential of RIL in Mymensingh division.

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List of Acronyms

RIL: Rasel Industries Ltd

VFM: Value for Money

BRTA: Bangladesh Road Transport authority

CC: Cubic Capacity

Ltd: Limited

MRP: Maximum Retail Price

BDT: Bangladesh Taka

SL: Serial

No: Number

BCG: Boston Consulting Group

SWOT: Strength, Weakness, Opportunity, Threat

Carb: Carburetor

Glossary

KPR: Model of Lifan motorcycle

Credit due: Money that dealers have to pay back to the company

Chapter-1

Introduction

1.1 Objective of Study

This internship report consists of two objectives:

General Objective: To analyze the current market situation and future potential of Rasel Industries LTD in Mymensingh division.

Specific Objective:

- To acquire knowledge about the motorcycle industry in Mymensingh division.
- To learn about the consumers expectation and demand.
- To identify the appropriate promotional strategy for RIL.
- To analyze the current process and identify areas of improvement.
- To propose few recommendation for improvements in the current process.

1.2 Scope of Study

The scope of this internship report is immense because of the vast amount of data. However, trying to preserve the privacy of Rasel Industries LTD (RIL) by following their procedures and policies. This report provides the highest possible knowledge about the scenario which has been accessible under minor limitations.

1.3 Methodology

Primary Source:

- Face to face interview with the Sales and Marketing team of Rasel Industries LTD.
- Field visit.
- Interviewing consumers.
- Personal discussion with dealers.
- Personal Observation.

Secondary Source:

- Rasel Industries LTD.
- Companies past data.
- Journals and Articles.

1.4 Limitations

While preparing this report I faced some constraints.

- In the official interview with company employees the officials had to maintain privacy according to RIL rules and regulations.
- I had to collect most of the information by myself and I have a time restriction otherwise I could have gathered much more data.

Chapter-2

Organizational Overview

2.1 History

Rasel Industries Ltd. Started their journey with automobiles business in 2004. Since its inception the aim is to provide the people of Bangladesh with outstanding products at a value for money price point. Rasel Industries Ltd is the sole agent and distributor of LIFAN, VICTOR-R & MOTOCROSS brand motorcycles in Bangladesh. RIL has started process of progressive manufacturing.

2.2 Rasel Industries Ltd

Rasel Industries Ltd. Will continue to evolve and adapt to changing world but its basic foundation is unchanged from the time of the origin of the company and reflects the basic idea of fairness, honesty and a general concern to the customer. Trust, experience and knowledge are our main motto. RIL Service Department has been organized with utmost care. A team of experienced technical hands provides a complete service support with full satisfaction of valued customers. Apart from this, most of the sales outlets are also equipped with modern workshops to render quick service to the customers. RIL will continue to take on challenges in “**Delight in Transportation**”, “**Ecologically Innovative Technology**” and “**Rewarding Lifestyle**”. Through these Rasel Industries Ltd. Will strive for excellence in engineering, manufacturing and marketing and become an organization with prominent presence in the national market.

Current Models Available in the market

Brand	Model	CC	MPR (BDT)
Lifan	KPR 150	150	185,000
Lifan	KPR 165r Carburetor	165	199,000
Lifan	KPR 165r EFI	165	210,000
Lifan	KPT	150	260,000
Lifan	KP mini	150	155,000
Victor-R	Classic 100	100	85,000
Victor-R	V80 Express	80	70,000

Table Number: 01

2.3 Brands of Rasel Industries Ltd



LIFAN

MOTOCROSS

VICTOR-R

2.4 Timeline

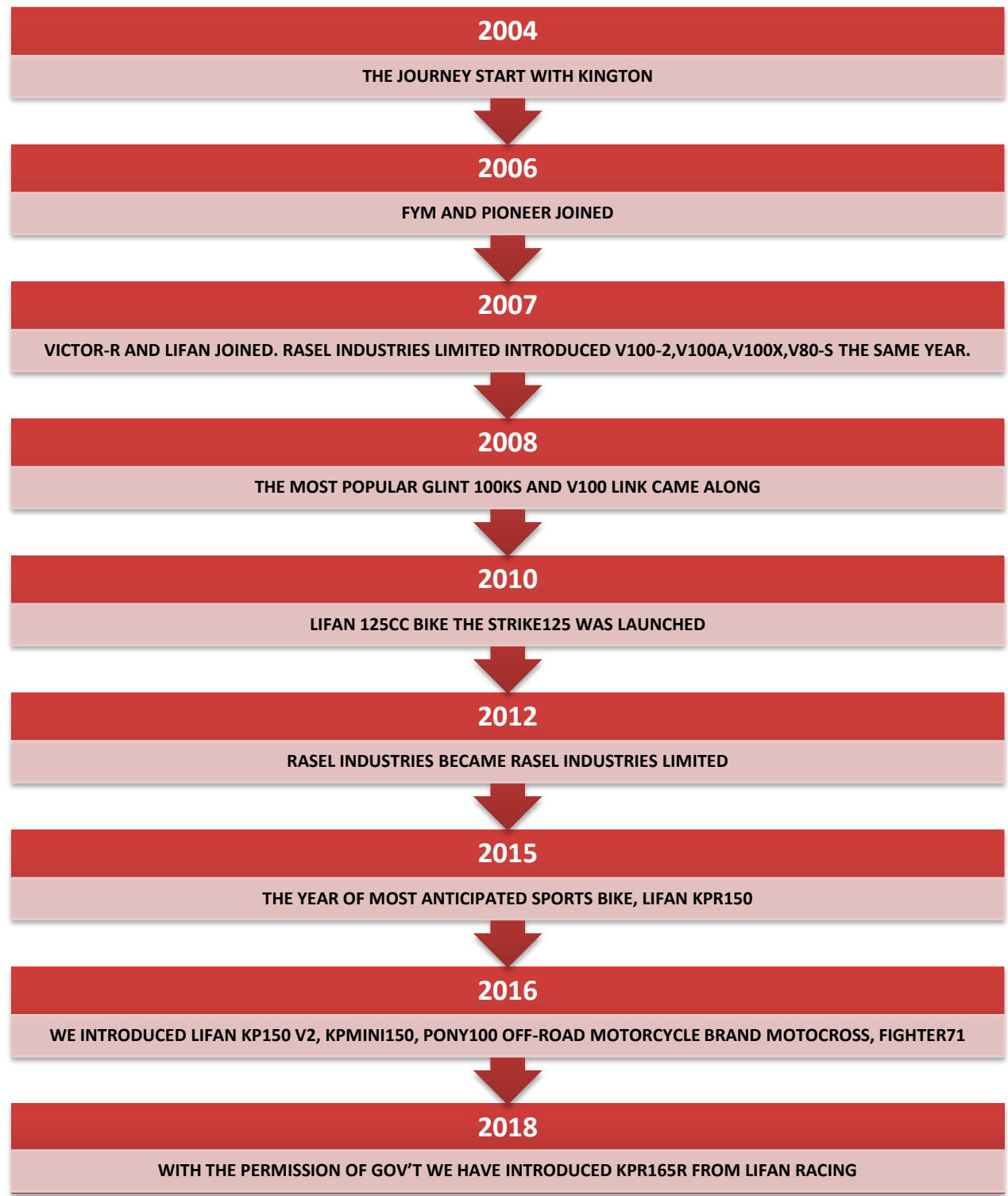


Figure Number 1

2.5 Organizational Organgram

Board of Directors

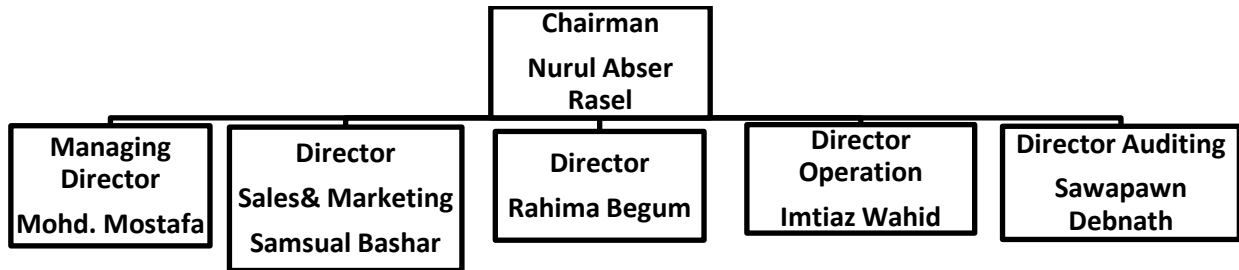


Figure Number 2

Reporting Structure

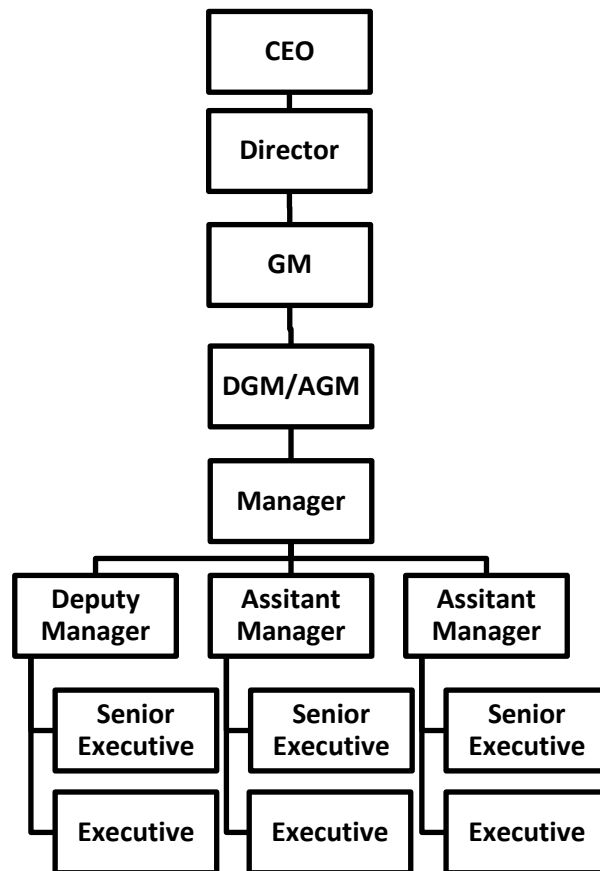


Figure Number 3

Departments of Rasel Industries Ltd

1. Sales and Marketing Department

- Looks after sales and marketing sector.
- Establishes new dealer ship.
- Keeps relation with established dealerships.
- Does the marketing promotional activities.

2. Accounts & Finance Department

- Keeps the accounting books
- Look after cash flow
- On fixed intervals does the auditing job

3. Service Department

- Is responsible for providing the after sales service for all the bikes
- Providing Spare parts
- Listening to consumer feedback

4. Factory Department

- Assembling motorcycles
- Manufacturing Parts
- Keeping the stock
- Delivering motorcycles to Dealers

Chapter-3

My Job

3.1 Job Description and Nature

I have been appointed as an executive in the sales and marketing department in Rasel industries Ltd. The higher authority has been confident enough to believe in me to assign me with the responsibility of maintaining the sales and marketing of Mymensingh Division. That includes six districts Mymensingh, Jamalpur, Sherpur, Netrokona, Kishorganj and Tangail. My base is Mymensingh. From Mymensingh I have to operate. But Currently I am based at headquarter in Dhaka. My job is keep continues relationship between the company and its dealers in Mymensingh division.

My responsibilities are the followings

- Keeping a constant relation with the dealers
- Convince them (dealers) to pay back the credit due in time
- Providing companies facility to the dealers
- Informing my company about any problem faced by the dealers
- Keeping an eye at their stock and if low refuel it with new motorcycle
- Setting up new dealership in Mymensingh Division

3.2 Contribution to Rasel Industries Ltd

I personally believe that I have been an asset to the company in a very short span of time. In this short period of time I have visited every dealership in Mymensingh division and made a good relationship with them. I also have met two interested entrepreneur one in Narayanganj the other one in Bhaluka who are willing to get dealership of RIL. I have already recovered a good some of credit due from our dealership in Jamalpur and Bhuapur (Tangail). On the other hand while I was at headquarter on demand of our chairman I started to work on a project which is going to establish a customer service for RIL customer over the phone. As I had previous experience in call center I made sure that everything goes perfect here. I was able to make a good script in a very short span of time.

Chapter-4
Current Market Situation
In
Mymensingh Division

4.1 Currently Established Dealers

The current situation is not pleasing for Rasel Industries Ltd in Mymensingh. Currently there are just three dealers in the entire division and one Exclusive Show room in Mymensingh City. The list is given below in a table

Sl No	Name Of Dealer	Address	Mobile No
1	Salman Motors (Exclusive)	Patgudam road, Mymensingh Sadar	01733135509
2	Zilani Motors	Ishwarganj Upazilla Sadar, Mymensingh District.	01866439614
3	Anik Electronics & Motors	Gofur Fakir Market, Pourosova Road Bhuapur Upazilla, Tangail District	01710298683 01716146376
4	Tarunno Enterprise	Basic more, New Bypass, Medical College Road. Jamalpur Sadar	01723813837

Table Number: 2

Note: Salman motor is temporarily closed now it will be reopen in January 2020. With an **EXCLUSIVE** badge meaning it will be under direct supervision of RIL.

4.2 Consumer Prospective

Currently the consumer prospective on Chinese manufactured motorcycle is not satisfactory at all. But it is changing day by day the main reason of this is on the early 2000 some importers imported low quality Chinese motorcycle in Bangladeshi market and after buying those motorcycle people didn't get any after sale service. That created a bad reputation for Chinese manufactured motorcycles in Bangladesh which still exists. Although, RIL has been able to change people's prospective in Dhaka and Chittagong. This prospective still exists in

Mymensingh Division. There are 4 (four) type of consumer for Chinese motorcycle in Mymensingh.

- 1) Consumers who want be different from the masses.
- 2) Consumers who buy motorcycle based on its looks and features.
- 3) Consumers who are smart enough to compare the specifications of motorcycle.
- 4) Consumers who wants a VFM proposition.

4.3 Relation between Dealers and RIL

Currently there is a love hate relationship between the dealers and RIL. There are several reasons for that the main reason is that the dealers don't pay their credit due in time. They tend to increase their credit due which courses RIL's Field due to increase. The main reason behind this is in Mymensingh most consumer tends to buy motorcycle in installments. These installments are not backed by bank they are personally given by the dealers. So, when the consumer defaults the dealer also defaults that increases there credit due to the company. When the company pressure them the payback they stumble. Another reason is that RIL's command chain is singularized and the bulk of decision is taken by one employee that put a huge load on that employee's shoulder that automatically makes that persons decision uncalculated. Another reason is that 2019 has been a bad year for RIL there flagship model Lifan KPR 165 carburetor faced a big issue. RIL and BRTA had some problem that made a delay in delivering registration papers for those motorcycles. It made a huge impact in the consumers mind. They took it a incompetence of RIL. The mass consumer showed their rage on the dealers. There is another disagreement between RIL and their dealers that is that RIL wants their dealer to sale their motorcycle in full cash. According to the market of Mymensingh it is not feasible to survive the dealers had to sale bikes in installments which resulted in a disagreement between RIL and their dealers.

4.4 BCG Matrix

Rasel Industries Ltd correctly has 7 (seven) models available in the market based on those models here is a BCG matrix below

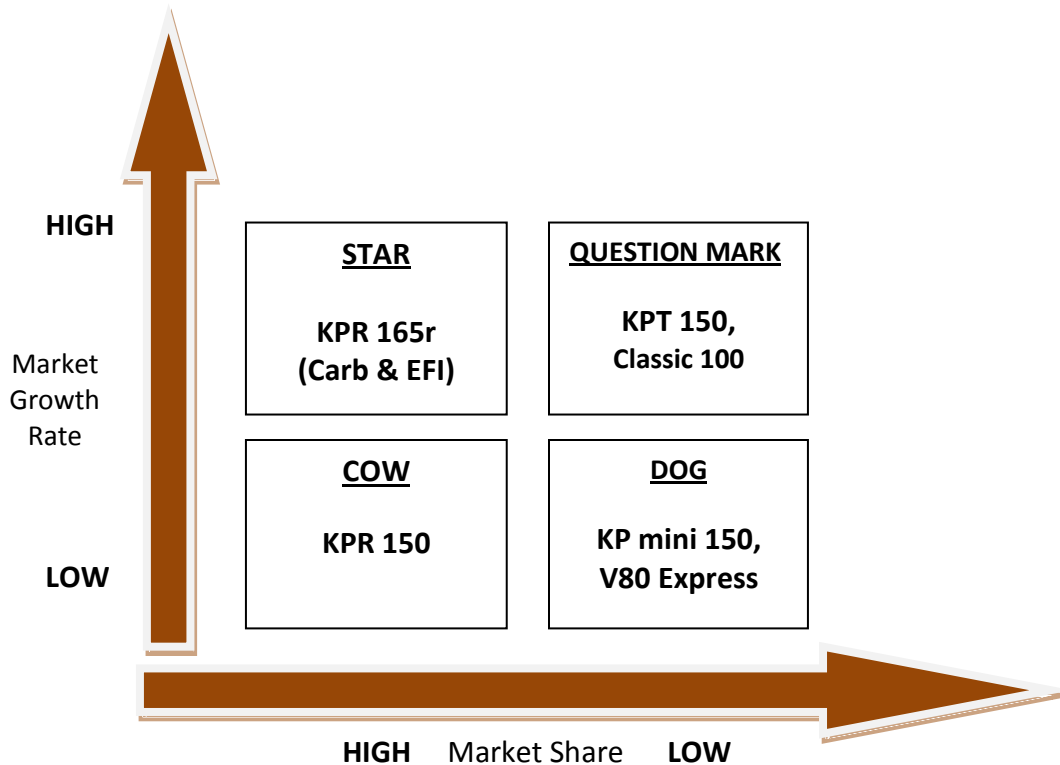


Figure Number: 4

Star:

Lifan KPR 165r is the star of Rasel Industries Ltd. It has a high growth rate and also a high market share it is out performing every other model available in RIL inventory

Question Mark:

These are the products which has a high growth rate but a low market share. Lifan KPT 150 and Victor-R Classic 100 fall under this category.

Cow:

Low growth rate and high market share is the definition of Cow. Lifan KPR 150 is the Cow of RIL. It has reached its maturity level and not will start to decline. The main reason behind it is that KPR 165r. Consumers are interested in that bike as it provides more VFM

Dog:

Lifan KP mini 150 and Victor-R V80 Express fall in this category. These are not producing money for the company. They have a low market share and low growth rate.

Chapter-5
Future Potential of RIL
In
Mymensingh

5.1 SWOT Analysis



Figure Number: 5

Strength

- **Durability:** Lifan, Victor-R and Motocross bikes are well known for their durability among the motorcycle riders community in Bangladesh. They have a good build quality and are also made with strong durable material.
- **Reliability:** Lifan engine is one of the most reliable engines in the market available right now. A well maintained Lifan motorcycle can provide a good service for a long period of time
- **Outlook:** Lifan, Victor-R and Motocross are all great looking motorcycle.
- **Performance:** The KPR series is the name of performance these motorcycle can outperform any motorcycle in its segment
- **After Sales Service:** RIL is well known for its after sales service. RIL provides 2 years or 20000 kilometer engine warranty. 8 full service for free and 5 years servicing for free.
- **Strong Communal Bond:** RIL is the only company that has managed to create a strong riders community in Bangladesh. Club KPR is one of the most reputed motorcycle rider clubs now in Bangladesh.
- **Price:** Value for Money is the word that can only define RIL products properly. While considering price point

Weakness

- **Lack of Variation:** Lifan KPR 150, KPR 165 Carburetor and KPR165 EFI looks pretty much the same. They have minor changes but from a third eye they don't have that much difference. RIL also lacks in the 100cc, 110cc, 125cc and 135cc category.
- **Availability:** Product availability and spare parts availability is another problem that is constantly faced by RIL.
- **Marketing promotion:** RIL focuses their marketing promotional campaign in Dhaka and Chittagong city mostly in rural areas promotional campaigns are near invisible.
- **Command Structure:** The command Structure of RIL is not perfect. Sometimes it overlaps and sometimes it is too much centralized. It is not good for taking decision for the long term decision.
- **Credit Limit:** Comparing to other companies RIL offers the lowest Credit limit to its dealer. To capture market and expand RIL must increase its credit limit.

Opportunity

- **Growing Popularity:** RIL products are growing in popularity day by day in Bangladesh. It is high time to emphasize on this popularity for future growth
- **Consumer Demand:** There is a large portion of motorcycle riders who want to ride a performance motorcycle. But can't because of the high price of those machines. RIL has made it possible to own a performance motorcycle at a reasonable price point.
- **Market Situation:** Currently the motorcycle market in Bangladesh is growing very fast and now it is a big market. If RIL manages to bring good motorcycle in the 100CC-125CC category there is a high chance

Threat

- **Strong Competition among Rivals:** The rivalry among different brands in this sector in Bangladesh is fierce. Consumers now have lots of options to choose from. So, to survive RIL needs to have a clear perspective of the market
- **Competitive Price:** Although RIL product prices are well within range of consumers but other companies are also catching up fast. Some of the big companies are now manufacturing motorcycle in Bangladesh. It allows them to pay less tax and those they can now charge less than other companies who are solely based on import.

5.2 Consumer Demand:

Bangladesh motorcycle users are not that much price sensitive but as days goes by and people get more access to information. Consumers are now becoming more knowledgeable. Now they know what to buy and why to buy. The vast population of our country is young and they want to have a motorcycle that goes with their personality and gives a good performance. They are also conscious about having a good after sales support and responsiveness from the company. In Mymensingh division most of the potential consumer doesn't know much about RIL products. The main reason behind it is lack of marketing promotional campaign. They are afraid to buy Chinese manufactured motorcycle just because their lack of knowledge about the brand. To satisfy the consumer demand RIL need to invest more in their marketing campaign and also bring motorcycle in lower to middle cc segment.

5.3 Market Prediction

Currently the motorcycle market in Bangladesh is growing at a staggering rate of 60% annually [2]. On the other hand the rate of motorcycle user in Bangladesh is very low among nations in Asia [2]. This is the best time for a company like RIL to expand and capture market. Because once it is been captured it will be very hard to make a solid ground in this market.

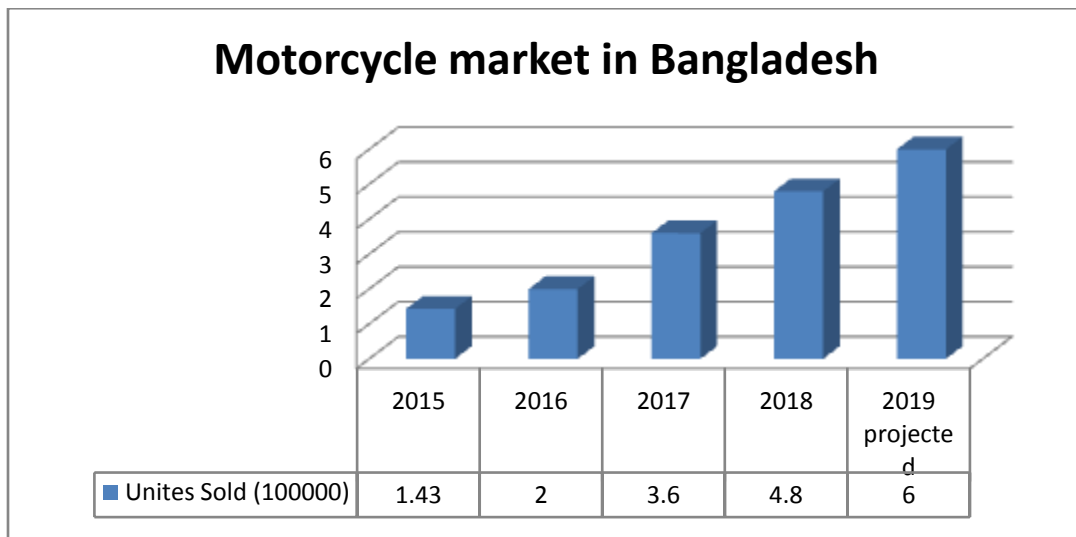


Figure Number 6

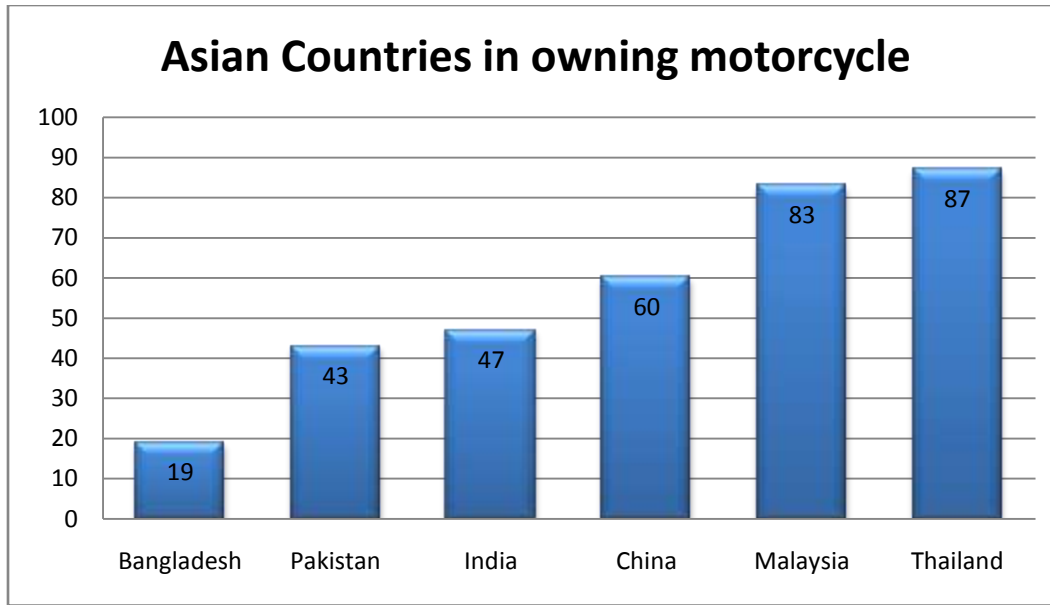


Figure Number 7

From the figures above we can see that the future looks very bright for the motorcycle market in Bangladesh. RIL currently has less than 1% of the market share right now. If RIL can emphasize on it they can achieve at least 5% market share in less than 5 years.

Chapter-6

Recommendations and conclusions

6.1 Recommendations

I have been in employee of Rasel Industries Ltd for a very short amount of time. But in this time period I have been lucky enough to handle some important work. From my past work experience and study I am able to identify some lacking in RIL's sales and marketing department. My recommendations are given below.

- Sales and marketing department must be separated.
- Reporting structure need to be redesigned.
- Fill the inventory gap by importing 100cc, 110cc and 125cc or 135cc motorcycle.
- Needs to have a proper marketing plan to capture the market.
- Should create own brand in near future by developing R&D department to increase survivability.

6.2 Conclusion

Rasel Industries Ltd has already established a name in the motorcycle market and is well reputed for its quality products and service. It is just the start there is a long way to go. The company has been able to achieve a loyal customer base and is willing to stand by its consumer to provide the best support. RIL has the best VFM line up in the 150cc-165cc segment. RIL need to have a clear vision, mission and goal and must set objectives to achieve them. Their success can help the automobile sector of Bangladesh to grow and become an exporter of motorcycle.

6.2 References

1. <https://www.thedailystar.net/business/news/motorbike-market-race-faster-2019-1690051>
2. <https://idlc.com/mbr/article.php?id=160>
1. <https://raselindustry.com/>

6.3 Appendix

Name and Pictures of RIL motorcycle



Lifan KPR 150



Lifan KPR 165r carburetor



Lifan KPR 165r EFI



Lifan KPT 150



Victor-R Classic 100



Victor-R V80 Express