

Report  
On  
**"A roadmap to future: PHP Automobiles Ltd"**

By:

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ID: 15304062

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

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BRAC University  
January 2021

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## **Declaration**

It is hereby declared that -

1. The internship report “**A Roadmap to Future: PHP Automobiles Limited**” is my own initial work while completing under graduation 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.

### **Student’s Full Name & Signature:**

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**Saidul Karim Aqib**  
**ID: 15304062**

### **Supervisor’s Full Name & Signature:**

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**Tania Akter**  
**Lecturer**  
**BRAC Business School**  
**BRAC University**

## Letter of Transmittal

14<sup>th</sup> January, 2021

Tania Akter

Lecturer

BRAC Business School

BRAC University

66 Mohakhali, Dhaka

**Subject: Submitting Internship Report on “A Roadmap to Future: PHP Automobiles Limited”**

Dear Ma'am,

I want to inform you that I have completed my three-month internship in an automobile company with proper gratitude. It is a great privilege to receive specific valuable guidance from you to ready my internship report. Your advice immensely helped me to complete my report. I gave maximum effort and tried to include all the chapters according to your recommendation in the report.

I tried my hardest to make the report flawless. I will appreciate letting me know if there are any deficiencies found.

I believe the report will fulfill the requirements as per your guidance.

Sincerely Yours,

Saidul Karim Aqib

ID: 15304062.

BRAC Business School

BRAC University

## Non-Disclosure Agreement

This agreement is made and entered into by and between **PHP Automobiles Limited** and the undersigned student at **BRAC University**

.....

Saidul Karim Aqib

## **Acknowledgement**

I would like to begin with the Almighty Allah's blessing for enabling me a prosperous life and my parents, who have been my constant support throughout my life. I am very thankful to my academic advisor Ms. Tania Akter, who has helped me by providing guidelines for preparing this report. Secondly, Mr. Mesbah Uddin Atik, my PHP Automobiles Limited supervisor, helped me at my difficult times. I have completed my internship and considering me capable enough of working under his guideline and supervision. Again, I would like to express thanks to my colleagues for supporting me throughout my internship period. For making this report, I have put an extensive effort and did some research under their guidance. This report would never be complete without the support and assistance of the people I approached during my internship.

## **Executive Summary**

This report analyses the marketing strategy of PHP Automobiles Ltd. PHP Automobiles Ltd is more likely a new company in automobiles business of Bangladesh. This report has the strategy of PHP Automobiles Ltd to sale the products. A concise biography of the company is also mentioned. To further describe the company's approach, I have mentioned the specific kinds of the products and the logistic chains. To identify and analyze the marketing strategies of PHP Automobiles Ltd in brief is the main objective of this report. Here, primary sources of data and secondary sources was focused to collect necessary information. However, there were some limitations to gather proper information like time barriers, disclose the information, rules, and regulations. The company's vision is be the benchmark in the automobile's distributors of the country. It is mainly an innovative and technology-driven company that is trying its level best to deliver world-class products and at the same time ensuring the highest satisfaction by providing continuous value-added services by the specially trained PHP' team. The primary focus is to enhance turnover by more than 50% by the year 2030.

It was my honor to work for PHP Automobiles Ltd. The company has a specific department to accomplish specific tasks like marketing, sales, services, and spare parts departments in Chittagong city. I have mentioned the different activities related to sales and services that demonstrate work with different customers and meet their demands of cars. I have completed my five weeks internship at PHP Automobiles Ltd.

The marketing department of PHP Automobiles Ltd is Various promotional functions for the marketing of products and services are carried out. These modules provide the functionality of market segmentation, target marketing, promotional strategy, planning product, positioning and development.

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# **CHAPTER 1: OVERVIEW OF INTERNSHIP**

## 1.1 Student Information: Name, ID, Program and Major/Specialization

Name: Saidul Karim Aqib

ID: 15304062

Program: Bachelor of Business Administration

Major: Marketing

## 1.2 Internship Information:

### 1.2.1 Period, Company Name, Department/Division, Address

Period: 3month

Company Name: PHP Automobiles Limited

Department: Sales & Marketing

Address: 542, Asian Highway, Sholokbahar, Bahaddarhat, Chittagong.

### 1.2.2 Internship Company Supervisor's Information: Name and Position

Supervisor Name: Md. Mesbah Uddin Atik

Designation: Head of Sales & Marketing

PHP Automobiles Limited

### 1.2.3 Job Scope – Job Description/Duties/Responsibilities

I express my full gratitude to my supervisor for availing me of the opportunity of doing my Internship at PHP Automobiles Limited. My internship program started on 24th October 2020 and ended on 24th January 2020, 3 months. Having a major in Marketing, I was appointed to the marketing department of PHP Automobiles Limited. I was excited and ready to face the challenges by working with the marketing team. This internship really helped me in learning a lot since, during our academic life, we did not have enough scope and opportunity to practice our theoretical knowledge. Working there, I got the chance to explore myself enthusiastically and finding myself capable of working there.

## 1.3 Internship Outcome:

### 1.3.1 Student's contribution to the company

I worked with an excellent team where everyone was so helpful and co-operative. Here, as a bike segment team player, I had successfully prepared the delivery order for Evaly. Besides, I had fruitfully delivered 400 vehicles along with my sales team. It's been quite challenging for me as an amateur salesperson in the group, but with my sales and marketing team's generous support, I had accomplished that. Besides, I often dealt with various customer queries and contributed my best to generate the best outcome that will be conducive for our customers. Further, I had the opportunity to assist the marketing team in its social media campaign as E-commerce is my minor. I help them by assisting my marketing team by working as a part-time copywriter for their Facebook promotional ad and designing aesthetic, social media promotion campaigns by initiating various e-commerce strategies.

### 1.3.2 Benefits to the student:

#### Technical abilities:

I learned relevant stuffs to my major, marketing and sales. Furthermore, as I worked as a marketing department for some week, I have experienced and gathered many information that are completely new to me and exciting at the same time. I have learned about the client brief, what it includes and what are the requirements of the potential clients. I also learned how the creative department transforms the idea into reality and also brushes it until the idea and the implementation matches the requirements. I have also gained how to complete an assessment test on due time and what are the techniques that should be implemented while sitting for an interview and viva.

#### Communication skills:

One of the most significant things I have learned in a temporary job was how to speak with individuals. I needed to face bunches of senior partners from various offices at PHP. These practices made my formal relational abilities much better. I generally accepted that I had a decent relational ability and there I got an opportunity to demonstrate it. I keep up formal just as easygoing associations with my senior partners.

#### Personal improvement:

I think a temporary job was an incredible open door for me to upgrade my self-awareness. Entry-level position helped me to improve my feeling of time the board. It causes me how to done my

work inside time viably and productively. It also causes me to be quiet with a great deal of work, deal with work weight, and be dependable about it. Overseeing the worry of expert and individual coexistence is likewise an incredible accomplishment for me.

### 1.3.3 Problems/Difficulties

Each work has some trouble and challenge. I had likewise confronted some real problems and difficulties. However, to conquer those difficulties is craftsmanship to accomplishment at the corporate level. I was generally overpowered when I got the assignments which I realized how to finish those errands. I was always restless about the new chores, which I didn't mindful of. In any case, I pursued a few standards which enable me to experience those troublesome difficulties.

Find out inappropriate data about a rebate that does not coordinate with the exceed expectations documents from the outset. I did things with quiet and took help from my kindred associates. Also, if it appeared to be exceptionally hard for me, or I did not understand what to do first, I went to HR, and he was consistently there to support me. He gave me appropriate guidance and instructed me to set aside an effort to see first and, after that, do the assignment. When I went to review the market on his new business venture, I confronted such a large number of challenges like –

- Physical tiredness
- First corporate job nervously and punctuality
- Working condition and some more.

This is how I experienced troubles and testing errands.

### 1.3.4 Recommendations

- ✓ One should always set themselves up for the test. One should attempt to be more productive than previously and try to do give assignments adequately.
- ✓ An individual can be proficient about time the board. I always kept up the time as much as I can.
- ✓ It is recommendable to always be increasingly dependable and agreeable.
- ✓ Finally, an intern should be increasingly proactive and sure about the undertakings, whichever errands he/she doled out.

## **CHAPTER 2: ORGANIZATION PART: OVERVIEW, OPERATIONS AND A STRATEGIC AUDIT**

### 2.1 Introduction:

#### Company profile

Type	Private
<b>Industry</b>	Automotive
<b>Headquarters</b>	PHP Center 40, 1 Zakir Hossain Rd, Chittagong 4225
<b>Key people</b>	Chairman: Sufi Mohamed Mizanur Rahman, MD: Mohammad Akther Parvez.
<b>Products</b>	Car Assembling, Automotive Parts, Motorcycles
<b>Parent</b>	PHP Family
<b>Website</b>	Phpfamily.com

#### Objectives of PHP Automobiles Ltd

PHP Automobiles Ltd focuses on adding value to economic development, maintaining, and retaining the existing customer service. The company also focuses on consistent revenue growth generation, earnings, and a massive inflow of cash. They also focus on employers' decisions for all future outcomes and effective decision-making processes. Finally, it tries to do the best in conjunction with activating the ultimate purpose. Wealth maximization is their ultimate goal.

#### Scope of the Report:

This report consists of strategies used and followed by PHP Automobiles Ltd for marketing its product. It includes a brief profile of PHP Automobiles Ltd as well. It also reflects marketing practices, management practices, product categories, and the company's distribution channel.

### The Methodology of Data Collection

For fulfilling the objective of this study, I collected the relevant data from primary & secondary sources.

The initial raw data has been collected through:

- communicating with the employees and the authorities of PHP Automobiles Ltd.
- Monitoring organizational activities during the internship program.

The secondary data have been retrieved through:

- The yearly audit of PHP Automobiles Ltd.
- Various research data of PHP Automobiles Ltd.
- PHP Automobiles Ltd, unpublished data and reports.
- Journals, booklets, and articles
- Website of PHP Automobiles Ltd.

### Limitation:

- Relevant data and information collect is difficult because of new company.
- Poor marketing segmentation strategies couldn't yet confirm clear target group of customers and no mechanism for influence in purchase decision.
- Undefined market size of a local marketing team.
- No enough information in website and other sources
- Some of the data couldn't be collected due to Confidential issue.

## 2.2 Overview of the Company

### Background:

PHP Automobiles Limited is the first private automobile in the country that is assembling organization, located in Chattogram. It has won the fame of many buyers' satisfaction all across the town because of its outstanding services. The company gradually expands its service throughout the country like Sylhet, Khulna, Rajshahi, Bogura, and other cities. Akther Parvez is the Managing Director of PHP Automobiles Ltd. This company is the sister concern of the PHP family. PHP realized a considerable gap in the marketplace that they can focus on as more than ninety percent of the automobiles imported are reconditioned. This vast market gap was backed up by statistical data. According to the data, more than 20,000 sedan cars are sold every year (Alamgir, 27th June 2018). Keeping this plan and implementing it, PHPA was successful in building a factory on Area of 4.5 lakh square-feet which is now located at Port Connecting Road, Chattogram. The operation started in March 2015. The plant can manufacture 12 vehicles in a solitary move containing eight hours of work. Around 200 human resources are working in the company, including automobile engineers. Currently, PHPA is completing FOUR types of vehicles: sedan car – Proton Saga, Proton Preve, and mid-size passenger vehicle (MPV) Proton X70, Proton Persona. Among total of 1,200 products, they also began manufacturing motorcycles of various types with 64 parts, including chassis (Alamgir, 27th June 2018).

### After-sale service:

To provide the after-sale service, PHP Automobiles Ltd adapted a service center in Chattogram. Intending to provide service all over Bangladesh, they have linked with Rahim Afroz. They are also giving exchange offers depending on the condition of the proton. The showroom is trendy because of the 4S showroom, which offers sales, service, spare parts, and resale at the same time.

### Offered products:

PHP Automobiles Ltd. has three types of products; it has

- Proton cars
- Motorcycle and
- Multix.

## 1. Proton Cars

PHP Automobiles Ltd started to assemble Malaysian Proton cars here in their showroom at Bangladesh. Their future plans to make parts and components. As a starting, 1,200 sedans are currently being built annually at its factory. The company so far assembled 35 vehicles of Proton Preve, Proton Saga.

- ❖ **Proton Preve:** the primary intention of assembling this car in Bangladesh is to capture the local market. They started their production from last year onwards in the country by local conglomerate PHP Family. It is the first-ever locally produced car.

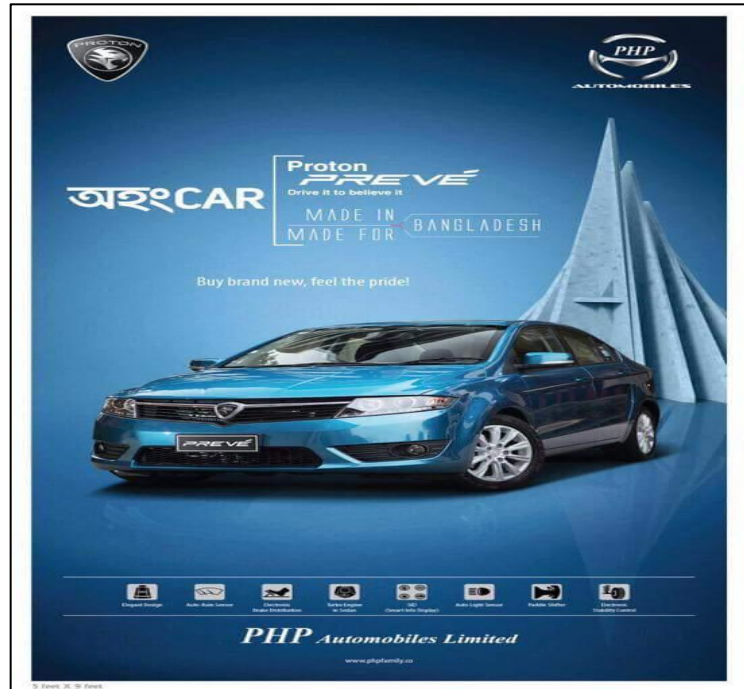


Figure: Retrieved from [protonbangladesh.com/brand-new-passenger-car](http://protonbangladesh.com/brand-new-passenger-car)

### Features of Proton Preve:

- It is available in four color: genetic silver, fire red, tranquility black, and elegant brown.
- It is compelling and athleticism beautifully. The interplay of curves and muscular edges give it a stable, more expansive feel.
  - It has 16-inch alloy wheels
  - It was designed to reduce drag and enhance fuel efficiency.
  - Blending gorgeous style headlights with functionality.
  - The integrated network of safety features and technology, such as its Strengthened Safety System that helps ensure that the cabin stays intact during a crash, Active Headrests that help prevent injuries to the neck and a Collapsible Steering Wheel that breaks apart to prevent the driver from impacting.

- ❖ **Proton SAGA MC** – The Proton SAGA MC is also assembled in Bangladesh for the local market.



Figure: Retrieved from [protonbagladesh.com/brand-new-passenger-car](http://protonbagladesh.com/brand-new-passenger-car)

### Features of Proton SAGA MC

- It has four colors: sterling silver, midnight black, metal grey, and fire red.
- **Exterior :**
  - Modern Presence Front Face
  - LED Daytime lamps
  - Stylish rear bumper
  - Dual tone alloy rims
- **Convenience :**
  - Sun visor with holder
  - Smartphone connectivity
  - 420L Luggage Space
  - 4 Rear USB Chargers
  - New central panel
  - Tricot Headlining
  - Heated Driving Seat
- **All New Features :**
  - Practical and Ergonomic Instrument Panel
  - Hill Hold assist
  - All round sensors
  - ECO drive assist
  - Bluetooth 5 Connectivity

### 2. Motorcycle

PHP Automobiles Ltd. Is introducing three types of motorcycle at the local market. According to their CC 100-150 CC categories. All these motorcycles are well featured, and their prices are very reasonable.



❖ PHP Merkaba



Technical specification – Merkaba 150 CC

Figure: Retrieved from <http://www.protonbangladesh.com/bike>

❖ **PHP Pride**



Technical Specification- Pride 125

Figure: Retrieved from: <http://www.protonbangladesh.com/bike>

❖ **PHP SUPER**



Technical Specification- Super 125

Figure: Retrieved from: <http://www.protonbangladesh.com/bike>

## Upcoming Products: PHP Commando Motorcycle



### 3. Multix



The intention of making this car is to take care of your ever-evolving needs. It can easily seat a family of five. With over 1918 liters of carrying space, it is ideal for business trips. Because of its X-Port feature, Multix can also generate 3KW of electricity.

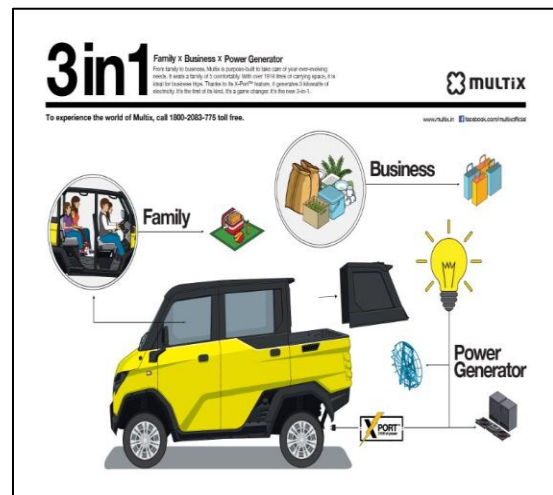
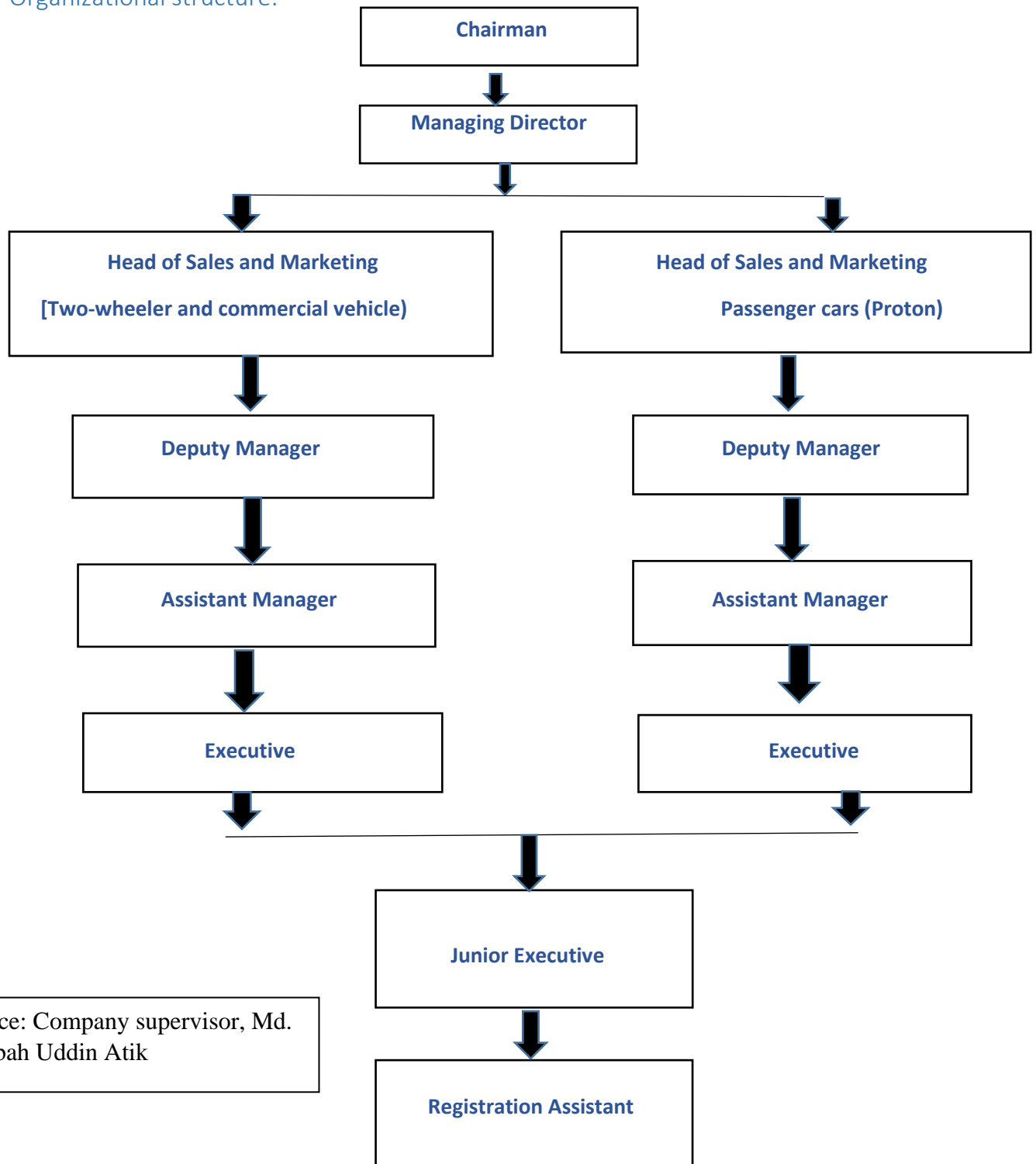


Figure: Retrieved from: <http://www.protonbangladesh.com>

## 2.3 Management Practices

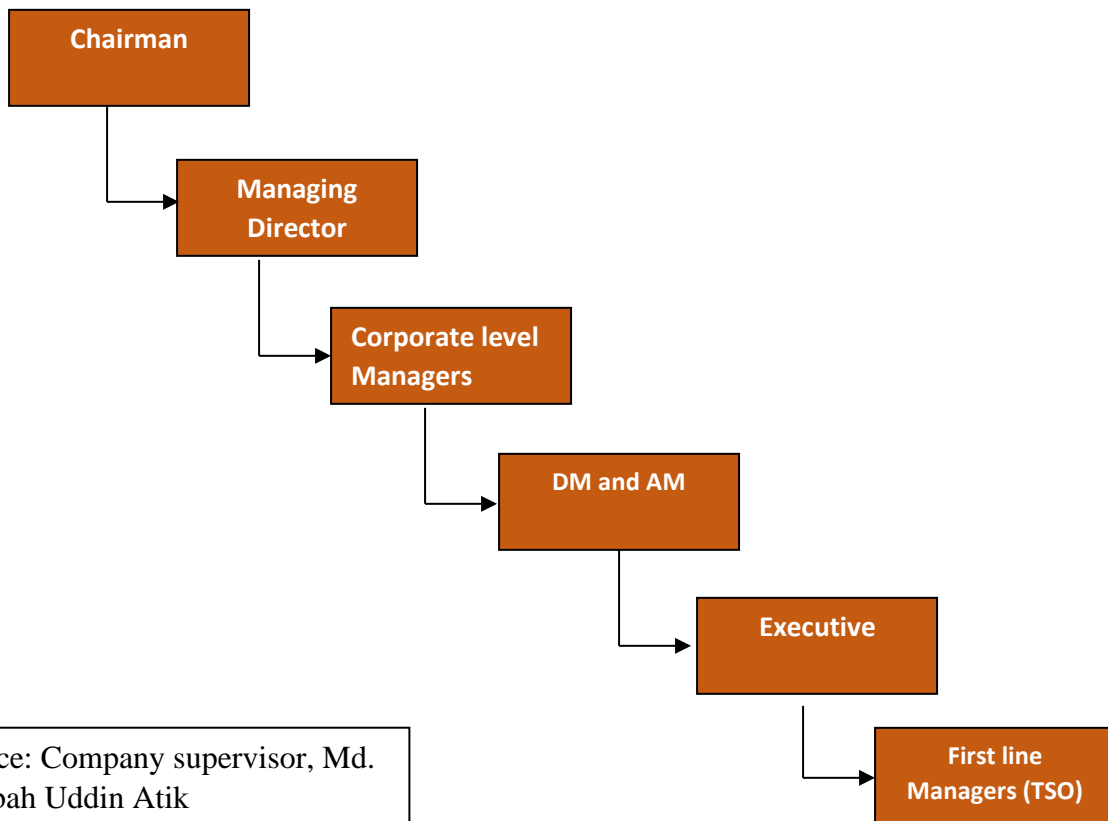
Organizational structure:



Source: Company supervisor, Md. Mesbah Uddin Atik

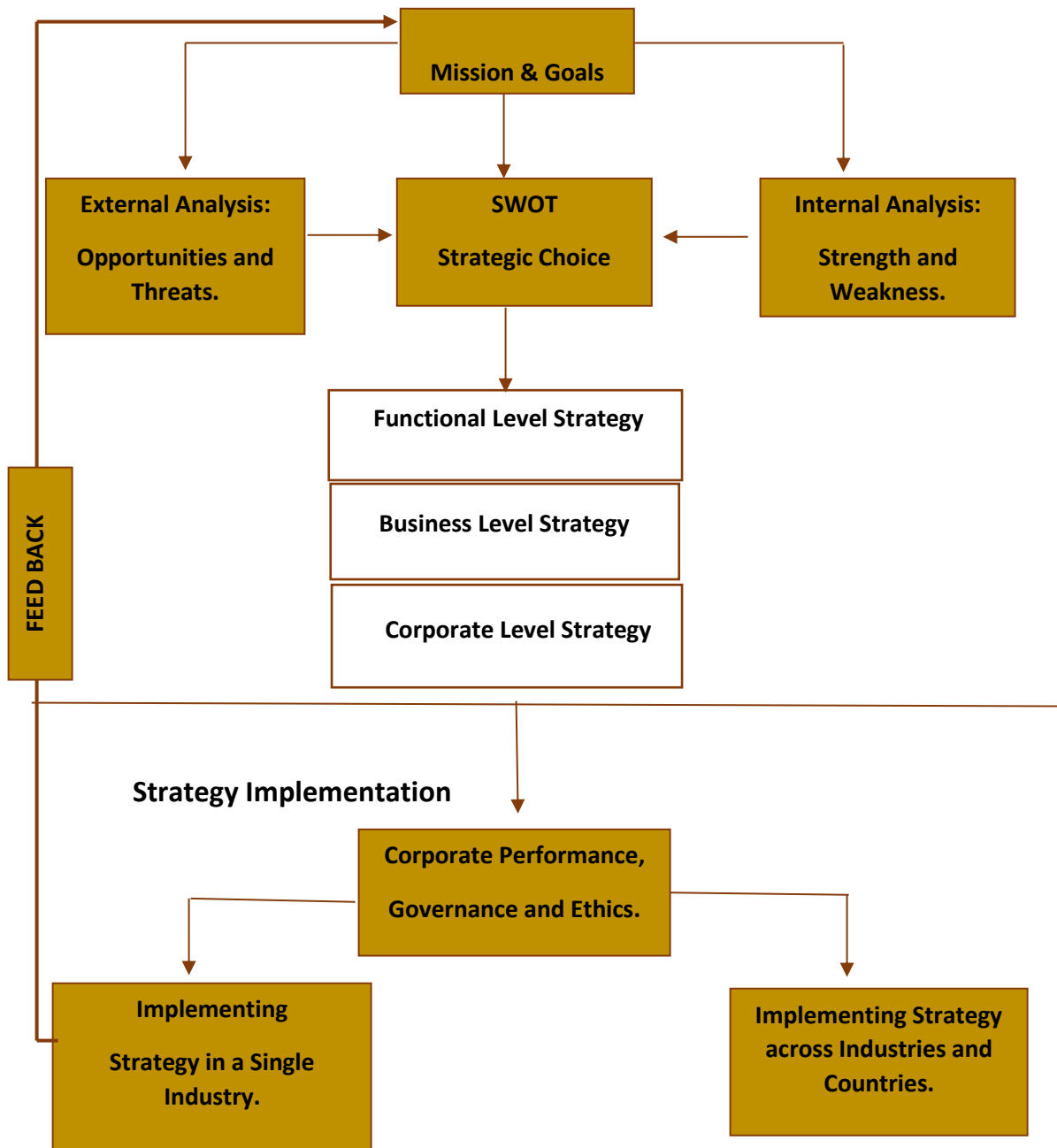
### Organizational Control:

The communication hierarchy in PHP automobiles Ltd is maintained just as like the chart that is presented below:



Source: Company supervisor, Md. Mesbah Uddin Atik

The phase of organized strategic planning:



Source: Company supervisor, Md. Mesbah Uddin Atik

## 2. 4 Marketing Practice:

### Media Coverage

A Promotional corporate & proles level planning

- Out of the house: Product demonstration in customer premises or in the common location of customers
- Business directories
- Magazines/newspapers: Monthly/yearly basis magazine/newsletter goes on

### Sales Promotion

Communication corelated with value

- Discounts: Based on customer priority, interest the value goes on.
- Rivalries
- Reward for devotion

### Public Relations

Using the news media for betterment

- Paper release
- News events
- Press set up

### Personal Selling

They believe in for further sales, person to person contact with prospective customers.

- Salesmen
- Conceptual branding
- Dealer or Initiatives for flagship store sales
- Events: Vehicle fair, demonstration etc.
- International fair display

### Direct Marketing

Giving the news to the consumer specifically

- E Mail order brochure
- Customized Card
- Office visit
- Help desk support

### Digital Marketing

New channel is emerging constantly

- Company website
- Facebook
- Instagram
- YouTube
- E-commerce platforms

## Branding and Messaging

Branding is an important method for positioning the goods of PHP Automobiles Ltd. Branding is used on nearly all aspects of a product that are customer-facing, from the body design to the writing style used on covered buses. The brand also needs to take into account its specific selling points and ensure that they are quickly identified by its messaging- The finest, longest-lasting quality is the commodity.

## Individuality of corporation

PHP Automobiles Ltd Authenticity is a valuable instrument for confirming that it is branding is used consistently all over the PHPA. This would include logos, fonts, campaign slogans, and the form of service used to accommodate customers. These are strictly maintained by PHP Automobiles Ltd policy. Recognition is an important component of any purchase intention, so a brand identity should be a key component of advertising campaign.

## Formation of the Marketing Message

When the positioning of the brand has been decided by PHP Automobiles Ltd, it is time to improve the messaging in order to impact their target groups. Advertising targets should be related directly to their marketing strategy and aim to fall into the following standardized categories:

- Inform: raising awareness of PHP Automobiles Ltd brand and products that help to create a marketing edge.
- Persuade: Creating an immediate reaction
- Remind: to make sure that the customers do not forget the brand and remembers it subconsciously.

It should be remembered that a message is considered effective only if it is appealing to the target audience. For this reason, the company after a definite interval, refer to the client and customize the advertisement for them.



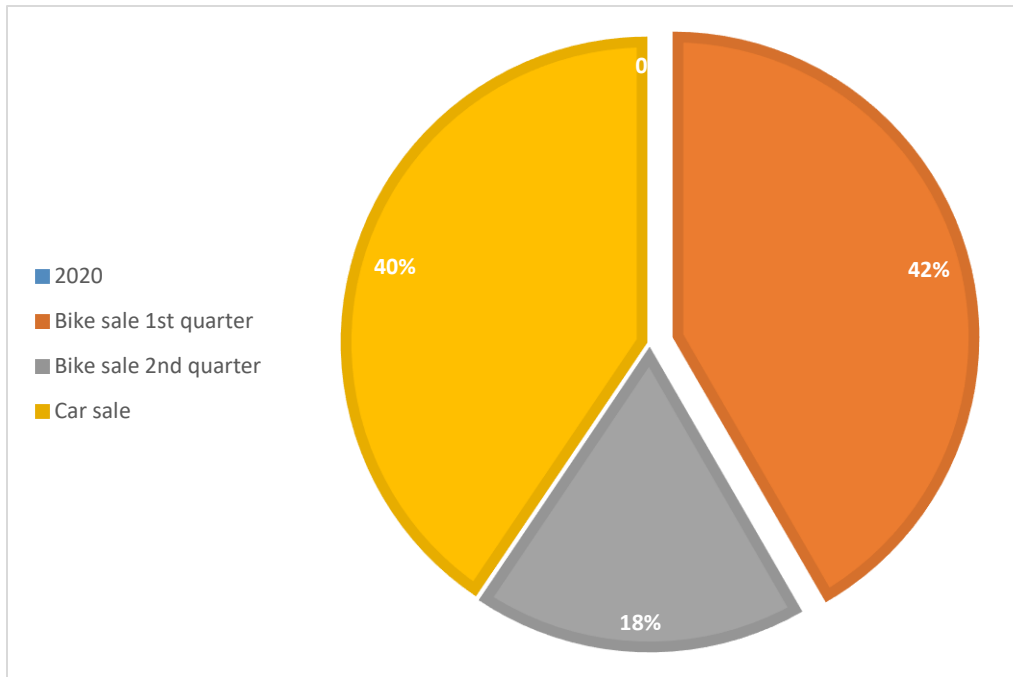
Some other practices are mentioned below:

- Advertising: PHP Automobiles doesn't go directly promote each product but promote PHP Automobiles Ltd name as brand and design some paper ads occasionally. Moreover, all around the year, PHP Automobiles Ltd makes some video broadcasts in YouTube channel.
- After sales services: Actually, after-sales service, customers are being kept loyal and retain them for re-sales generation.
- Making availability of spare parts: PHP business square is regularly supplying spare parts of motorcycle.
- Driver, mechanics training: After sales, PHP Automobiles Ltd arranges driver, mechanics training session.
- Enormous corporate relationship maintaining:
  - Gift Offering: Making loyal relationships and publishing the brands and particular product, PHP Automobiles Ltd design mugs, umbrella with own logo, product etc. and also offer an electronic gift like TV, Micro-Oven, AC, Refrigerator etc.
  - Corporate Gathering: Many times, PHP Automobiles Ltd arranges mega event at the luxurious hotel like Hotel Agra bad, Radisson Blu for new product launching, corporate day, general meeting so on.
  - Vehicle tracking support: With update technology using GPRS, PHP Automobiles Ltd tracks the location where the vehicle stay at asking time.

## 2.5 Financial Performance & Accounting Practices:

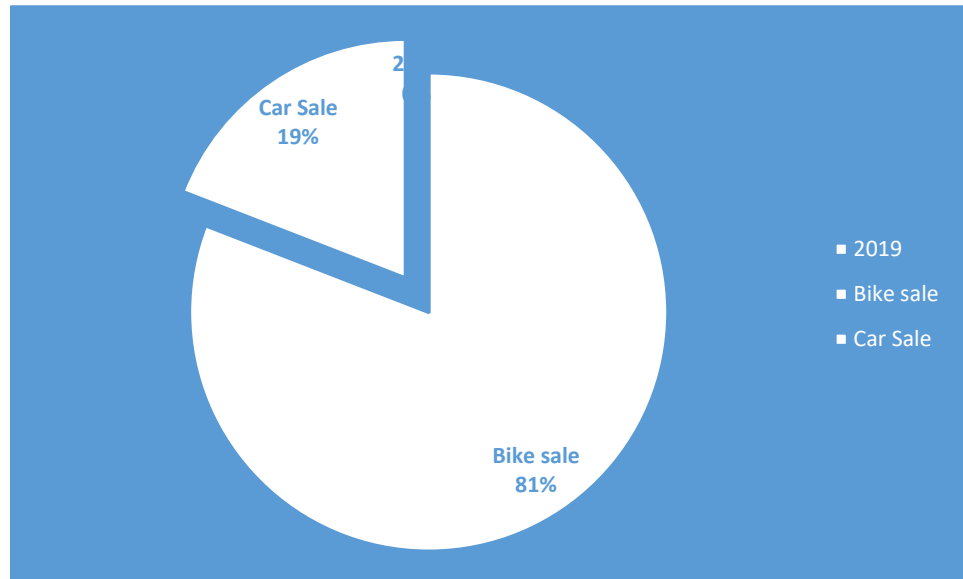
### 2.5.1 Financial Performance:

The financial performance of the year 2020 for both the bike and the cars sold are presented below as a pie chart that indicates the percentage sales of the total. Here, we can see that the sales of bikes' sale are very higher than that of the cars. The reason is that, the prices of the bikes are very reasonable compared to the specifications. The sales of bike for the 1<sup>st</sup> quarter were



Source: Company supervisor, Md. Mesbah Uddin Atik

According to the company supervisor and other employees, in the year 2019, we can see that the number of cars sold is 115 units whereas the number of bikes sold is 487 units. This year, the number of bikes and cars sold are improving than those of the previous years. The pie chart is presented below:



Source: Company supervisor, Md. Mesbah Uddin Atik

## 2.6 Operations Management and Information System:

### Operation Management:

**Production planning:** The respective managers shall determine during the production planning of PHP Automobiles how the individual products will be produced and how the production appliances will be designed.

**Production control:** Supervisors must prepare and track the processes that make up the process on an ongoing basis once the production process is underway. In order to receive feedback and make changes where necessary, they are fast and very responsive.

**Quality control:** This is the final step where the operations manager of PHP Automobiles is involved in maintaining and ensuring that goods are produced according to specifications and that the benchmark or the quality standards are maintained.

### Information System:

Technology infusion has resulted in the incorporation of computer electronics replacing the Electrical engineering of structures: a system of engine controls, wheel system, etc., test equipment built-in, entertainment and navigation system, and material and design progresses. With robust domestic demand and satisfactory local production, Bangladesh, China, and Brazil are major developing markets. Global motorized businesses have lower EBIT limits than industry leaders, but they have the fastest-growing amount of record turns and the best recital of class transfer. Manufacturing is an asset, material, and labor-intensive activity that requires detailed production coordination and implementation at all organizational areas.

## 2.7 Industry and Competitive advantage:

In this automobile industry there are major competitors who has been in industry for decades now. Some of the competitors along with their background are provided in the following:

### Competitors:

**Nitol Motors Ltd:** An exclusive distributor in Bangladesh of TATA motors. The Nitol-Niloy Group's flagship company, Nitol Motors Pvt. Since 1988, Ltd (NML) has been the partner of TATA motors. Now, statistically the major supplier of TATA engines in Bangladesh and a major player in its market for commercial vehicles. The share of the market is over 70 percent. The market share is over 70 %. NML offers to their clients the largest sales, support, and aftermarket accessories channels in the country. It has 40 branches throughout the country.

**Runner Motors Limited (RML):** RML has been one of the major competitors in this industry, which was operated from October 2004. RML was selected as an exclusive distributor by the Eicher Motors Ltd of India. The explanation was because of Bangladesh's popular Eicher brand trucks and pickups. Volvo Eicher Commercial Vehicles Ltd India, a joint venture of Volvo Group and Eicher Motors, manufactures Eicher trucks. Up to December 2012, Runner Motors sold as much as 6,500 Eicher trucks and small wagon in Bangladesh In 2004-05.

**Navana Automobiles:** Navana Limited targets a premium client group to provide premium quality and place customer's needs and wants above all. Multinational companies, Govt. organizations, NGOs, Diplomatic missions, and Society elites are the potential clients of Navana Automobiles. Their future target is to become the customer's first choice for buying automobile products and services.

## SWOT Analysis:

### **Opportunities:**

- Huge market in the automobile industry
- Improved road communication.
- Changing lifestyles of customers.
- Customer's attitude toward spending more.

### **Threat:**

- There are competitors in the existing market like Nitol Motors, Runner Motors, Navana Motors etc.
- Low price offered by the competitors.
- Increasing the production cost due to increase of raw materials cost.
- Competitors take more strong promotional activities than PHP Automobiles Ltd.
- Governmental import duties and tariffs.

### **Strength:**

- The superior sales team and efficient management.
- Immense trustworthiness on PHP Motor.
- Superior mileage advantage.
- Brand loyalty.
- Just in time delivery system.
- Mobile service team is ready to attend any complaints within 08 hours at the corner of the country.
- Six free servicing checkups within 10,000 KM. Operation and ready expert engineers and skilled mechanics for superior after-sales service.

### **Weakness:**

- Because of headquartered in Chittagong, it is complicated to expand their market as most potential clients are Dhaka based.
- Channel conflict rises between dealers and own showrooms about the selling of motorcycles for fewer prices.
- Because of the poor marketing intelligence system to track down major competitors' move and future action.
- No connection with economy customer group.

## 2.8 Summary and Conclusion:

The means by which PHP Automobiles Ltd. motivates, coordinates and promotes its members to achieve the building blocks of competitive advantage are organizational structure, control and culture. The management and culture of the organizational structure form the actions, principles and attitudes of PHP Automobile Ltd. individuals and decide how they will execute the business model and structure of PHP Automobile Ltd.

## 2.9 Recommendation:

1. PHP Automobiles Ltd is a Chittagong based company. To capture a broad market, it should focus on expanding its market in the capital city, Dhaka.
2. The availability of showroom should be increased. More showroom will result in more customer engagement and help connect with the customer.
3. The future of this industry is to produce environmentally friendly products. PHP Automobiles Ltd has to think about this idea shortly.
4. PHP Automobiles Ltd charges more down payment in some useful vehicles, which is sometimes a burden for the customer. This policy should be flexible.
5. The short-term promotional strategy may provide short-term benefits, but the company also needs its focus on long-term promotional strategies for achieving long-term goals.
6. Practical sales training can improve sales executive skills and motivation, concentrate on more sales, and reach company goals.
7. The salesperson gets frustrated with more targets, so sales targets should be fixed up, scrutinizing potential sales pipeline.
8. Most of the competitors of PHP Automobiles Ltd are well established and well known in the market. PHP Automobiles Ltd should take more advertising programs for more exposure.



## **CHAPTER 3: A ROADMAP TO FUTURE: PHP AUTOMOBILES LTD**

### **3.1 Introduction:**

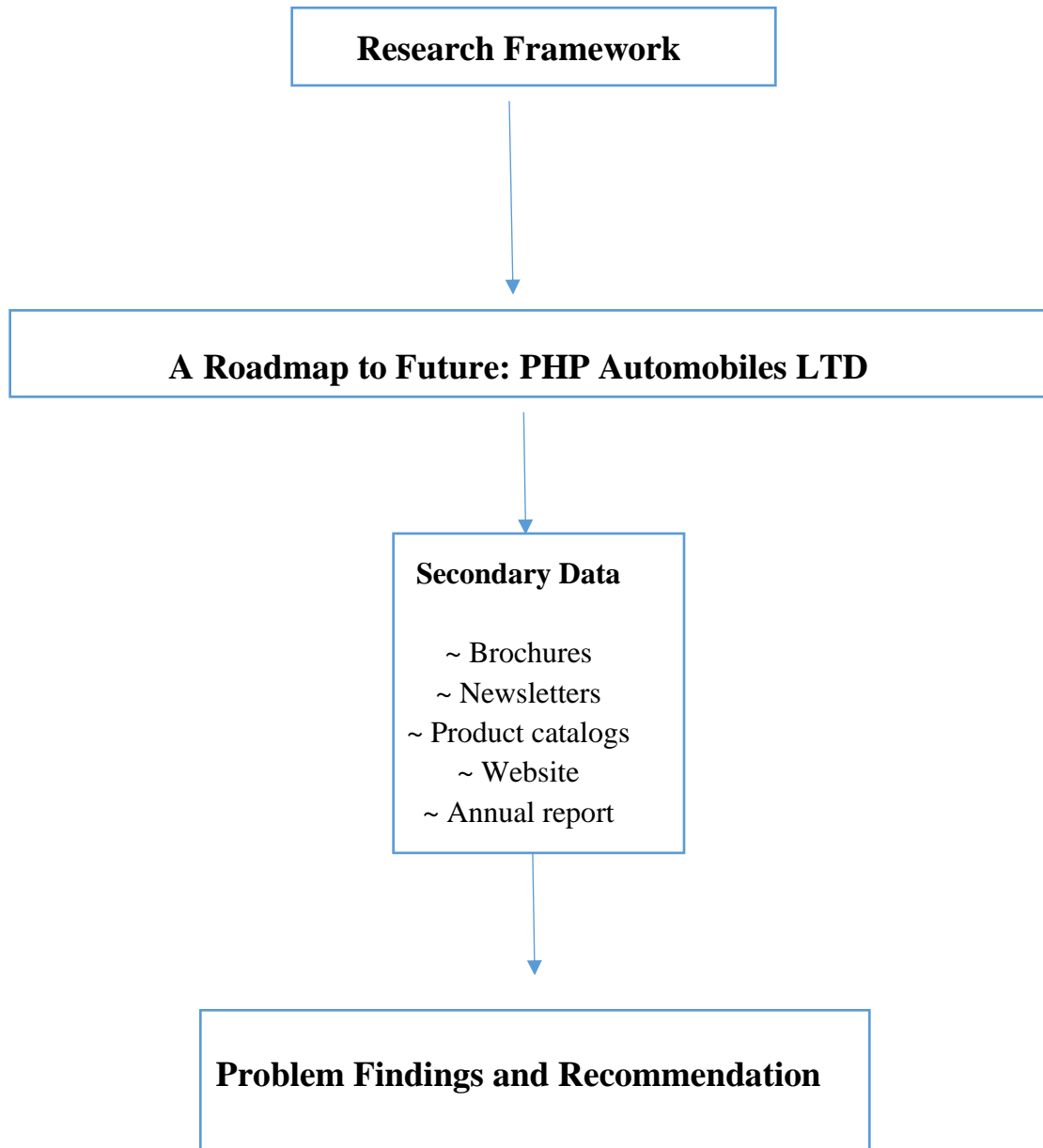
Although the Bangladeshi automotive industry originated in the 1940s, the last two decades have seen considerable growth, obviously anticipated to financial expansion, including 100% of the automobile regional FDI. Because of the Significant number of professional employees, low manufacture expenditure, Shorter stages of creation and implementation, and rising economic power status, global automobile and module manufacturing corporations are inspired to build manufacturing and R&D facilities. These businesses regionally outsource most operations, maintaining leverage over product development and expected procurement. The industry is made up of different groups: assemblers, foreign assemblers, Bangladeshi suppliers of components, global suppliers of components, each including its respective advantages and disadvantages, contributing 77 per-chant output benefit for the organized market and the remainder of the SME sector. As of now, there are more than 30 OEMs offering more than 75 variants in all model categories.

The quest of the Bangladeshi automobile sectors is motivated for worldwide affordability. It's largely due to the fact that the significant motorized factories. Suggestively, Bangladesh has the highest quality gas mileage values and also affordable total cost of ownership.

This research aims to have an overall idea about the current market of the automotive industry and its future. The entire study will be based on secondary data. Some primarily casual discussions with some of the future potential customers who are currently students and are interested in purchasing vehicles in the near future.

### 3.2 Methodology:

The analysis is carried out in a methodical way by advising my university advisor and supervisor, beginning from the selection of the subject and to the final report research. The analysis is performed in an efficient way, starting from the choice of the topic to the last planning of the research. Distinguishing and gathering information was the fundamental part; they were grouped, classified, interpreted and presented in an effective way to locate the necessary applications. The general method of approach followed in the analysis is further explained.



## Literature review:

PHP owns around 20 percent of the sedan market share with its assembled proton saga. Since 2019, the company has been running and producing products at its fullest capacity. There are 258 employees, including 150 engineers, who are working for the progress and maximizing the company's potential shares. It is now targeting open showrooms in other cities of Bangladesh like Khulna, Bogura, Rajshahi, and other parts of cities for more exposure. There are also offering cars at a very reasonable price compared to its competitors. For example, a car of PHP costs around 15 lacs whereas the same configured car is selling in the market for around 18 lac takas. There are also planning on improving motorbikes' overall experience by introducing new brand modes according to the demand and want of the market. Additionally, PHP makes accessible to all parts to its customers s that they do not have to import it or buy it at a higher price. They have play store application named "PVS" (Perfect vehicle Solution) which help customer to order from home. (Management Study Guide, 2019) Customer satisfaction refers to how the desires and responses are collaborated and added to excel client expectation. If the consumer's perceived value satisfies their needs or meets their expectations, it reflects that customers are delighted. By evaluating a few factors such as customer retention, customer buying pattern, customer feedback, an organization can get an idea about their customers' satisfaction level. PHP Automobiles Limited assembles brand new cars (CKD) and importing CBU units from Malaysia to ensure demand and supply chain. These cars fulfilling customer demand and ensure the best quality product. Moreover, after service is a major key point for PHP Automobiles Ltd to ensure the best service to the customers.

### 3.3 Findings and Analysis:

#### **Secondary data:**

The automotive industry of Bangladesh in 2010 was around BDT 500 crore (USD 58 million) that increased to around BDT 1400 crore in the year 2019. The dependent on import is bringing various Automobile manufacturers from nations like Japan, India, South Korea, China, Germany, France, the UK and the USA. Japan and India, among all the countries are important suppliers for the import and export of automobiles. In recent years, Bangladesh has been conversing a tremendous increase in registered motorized vehicles that indicates the demand for automobiles (Light castle analysis wing, 2020). A bar chart of the number of the registered motor vehicle is presented below.

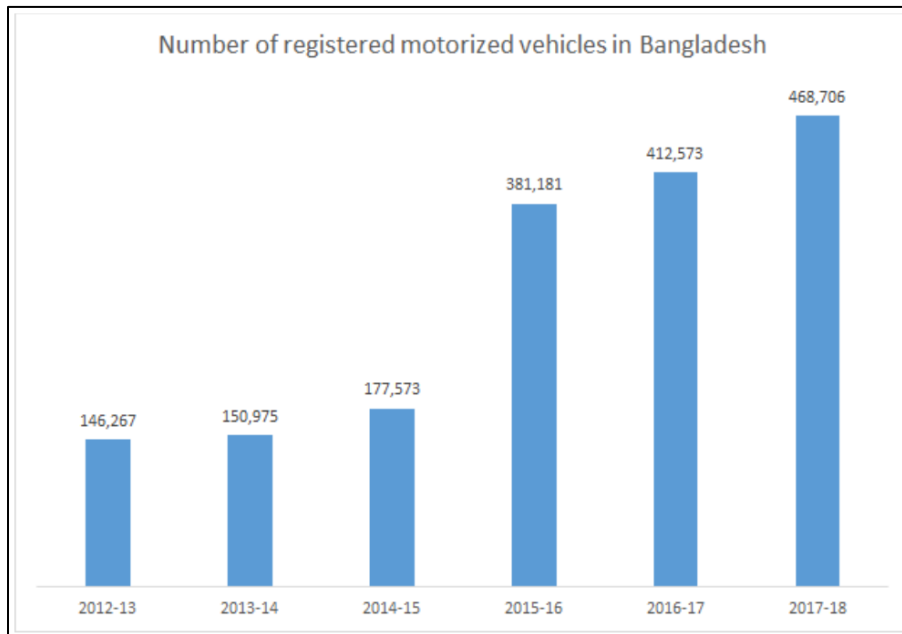


Fig: Number of registered motorized vehicles in Bangladesh

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There are various categories of motorized vehicles, among which motorcycles cover almost 79 % of total figure. The Private passenger automobiles are followed by covering 5%. The main reason for the increasing number of motorcycles is its cost-effectiveness (Light castle analysis wing, 2020). Also, high traffic congestion in cities is one of the primary reasons.

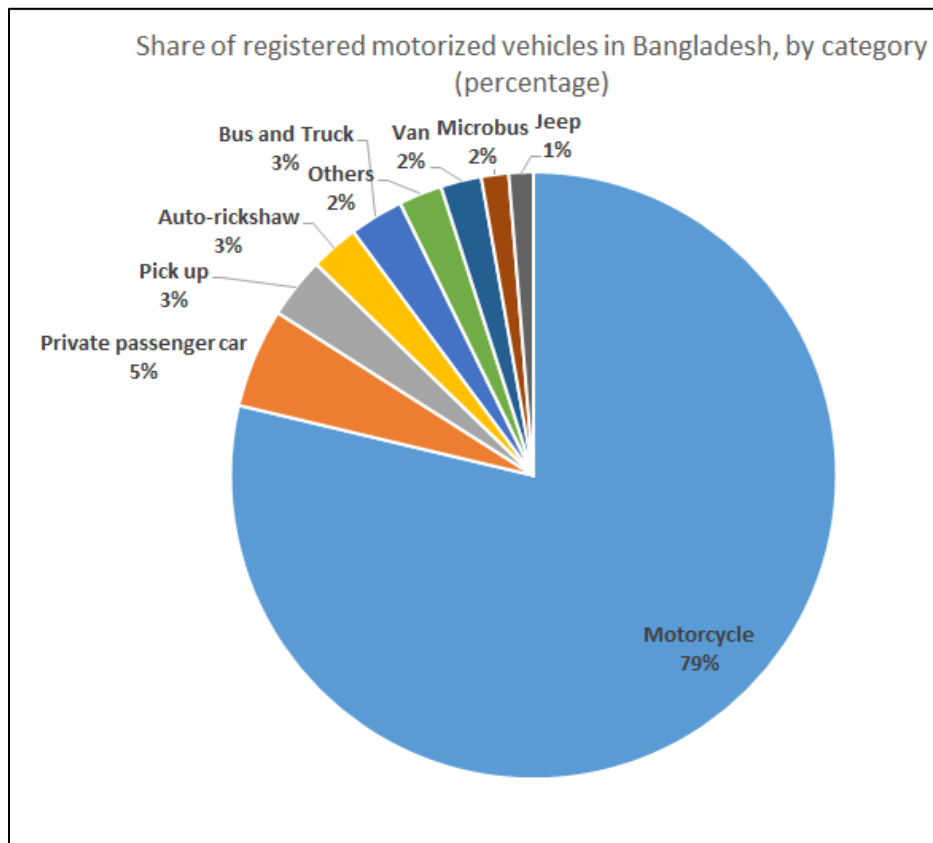


Fig: Share of registered motorized vehicles in Bangladesh  
Retrieved from: [lightcastlebd.com](http://lightcastlebd.com)

Reconditioned cars are very much demandable in this country. It is reigning on the automotive industry, while Ninety Five percent of the automobile are imported from Japan. However, the reconditioned car market in Bangladesh is sold here and it is treated as the New vehicles on the native marketplace. It represents 50% of the overall automobile industry. While the other 5 % of the cars are completely build unit (CBU), the remaining 45% are used Licensed automobiles in the second-hand car market (The Daily Star 2019).

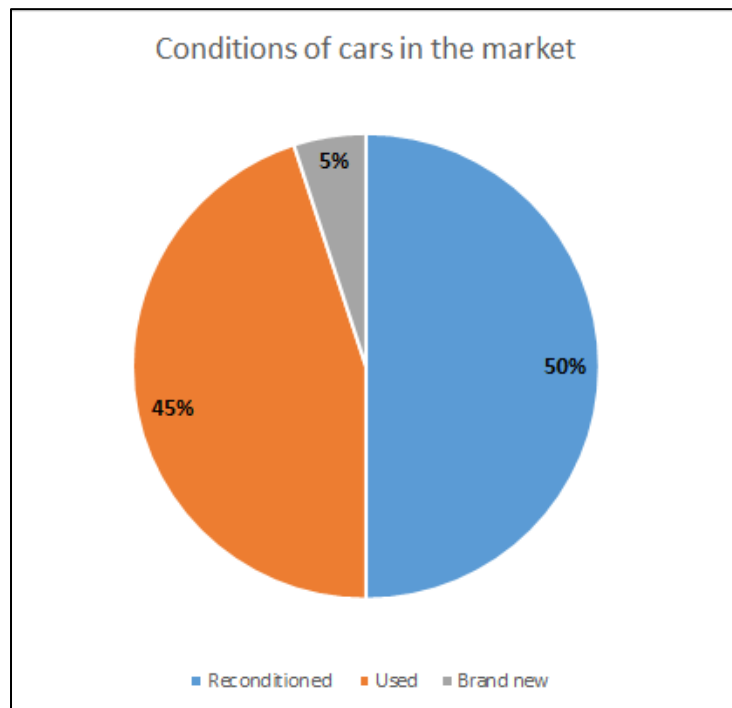


Fig: Conditions of cars in the market

Retrieved from: [thedailystar.net](http://thedailystar.net)

Among all the private passenger cars available, the market's dominant player is the Japanese brand since the 1990s. Some popular brands like Honda, Nissan, Suzuki, BMW, Range Rover, Mazda and so on. According to an online selling platform bikroy.com, the vehicle advertisement data, Toyota is the most popular brand in this country, and it captured 80% of the market popularity.

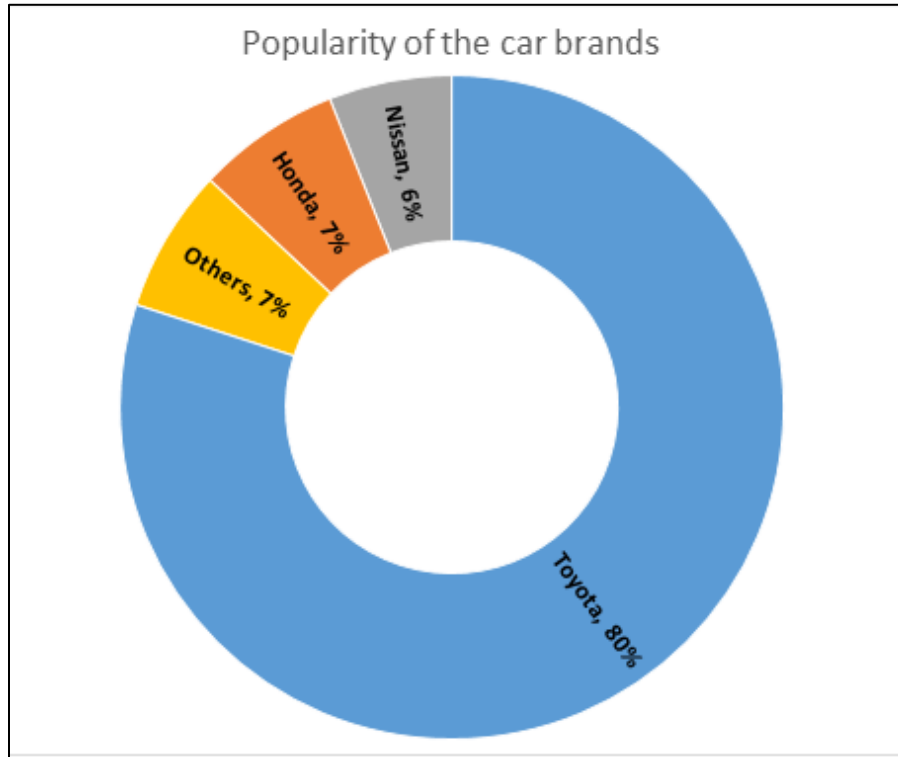


Fig: Well, liked manufactures of Automobiles

Retrieved from: [barvida.com.bd](http://barvida.com.bd)

As mentioned earlier, the most selling car in Bangladesh is Toyota. Some of the popular models seen almost everywhere include Toyota X Corolla, Probox, Axio, and so on. The Toyota Corolla is the most famous as it is very affordable compared to the specifications and high cost-effectiveness. Toyota Noah XL is the most popular choice as a family car, while PRADO leads among the SUVs.

A decrease in imports was primarily caused to 35 percent from 45 percent due to the substantial reduction valuation allowance for reconditioned 5-year-old automobiles. This percentage change had a significant influence on the sales profit difference between reconditioned and brand-new vehicles. The lower percentage increased the ability of buyers to shift to brand-new automobiles.

From above analysis of the automotive industry, we can see that vehicles' demand is increasing gradually at a rapid rate. There is a market gap for PHP Automobile Ltd to expand the market and capture the remaining market share. However, they will need to promote their product and service through social media like Facebook, YouTube, Snapchat, and other trending media. They can also focus on celebrity endorsement for more exposure, which will eventually capture more market share.



### 3.4 Summary and Conclusion:

By adopting and taking the measures required for it, Bangladesh is moving towards achieving the goal of sustainable growth. In the form of policy making, the government is making attempts and taking compulsory steps. The government is worried about the automotive industry. The Ministry of Industries has completed the Automobile Policy Guideline and Roadmap 2012-2021, aimed at boosting the local automotive manufacturing sector and growing the national GDP. The Government's policy guideline focuses on efforts to Exponentially increasing marketing companies as well as on assembly and manufacturing units, such as Semi-knocked down (SKD), Complete Knocked down (CKD) and locally Complete Built Unit (CBU). Recommended Development of the current assembling sections of government, together with a more private investment in the production of bikes and substantial vehicles, an unmistakable inclination was given. Further private investment in Collaborating with international manufactures has also been targeted by the roadmap.

### 3.5 Recommendation:

- Expand business to different cities.
- Focus on advertisement to reach more exposure.
- Target on premium segments.
- Include more features that are already provided by the competitors
- Open more showrooms for better reach.
- Sponsor for being the highlight of exclusive events.
- Manufacturing and innovating some optional parts for Proton car as per customer (corporate) preference.
- Bringing in new models of Proton car, Motor Cycles as per market taste.
- To remain one step ahead in case of copping.

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