

Hero VIDA Campus Challenge *Season 10*

Case Study



Business Problem Statements

Case Study #1: Beyond Vehicles: Revenue Diversification Playbook for VIDA

The Imperative for Non-Linear Growth in Electric Mobility

Context:

The global automotive landscape is currently navigating a tectonic shift, a transition where the value proposition migrates from the hardware itself to the ecosystem of services, software, and energy management that surrounds it. For Hero MotoCorp, the world's largest manufacturer of two-wheelers, the launch of the emerging mobility brand, VIDA, represents a decisive entry into this new paradigm. However, the electrification of the two-wheeler segment brings with it a fundamental disruption to the traditional unit economics of the automotive business. Unlike Internal Combustion Engine (ICE) vehicles, which generate consistent high-margin revenue through after-sales service, spare parts, and consumables (oil, filters, belts) over a 10-15 year lifecycle, Electric Vehicles (EVs) are mechanically simpler.

This reduction creates a "service revenue cliff" for OEMs and their dealer networks, necessitating the urgent identification of new profit pools. The transition from a manufacturing-led business model to a service-led ecosystem is not just a financial necessity but a competitive moat. As hardware margins compress, the ability to monetize energy, data, and connectivity will distinguish the leaders from the laggards in the EV race. This case study provides the perfect sandbox for India's brightest minds to help architect that future for VIDA.

Problem Statement:

Develop a comprehensive, scalable business strategy to diversify VIDA's revenue streams beyond vehicle sales by leveraging the unique capabilities of VIDA & EVs. The playbook can cover the following aspects:

1. Evolving Consumer & Market Trends
2. Taking Advantage of Core Capabilities of EVs
3. Innovative & Fresh Ideas that address User or Business Pain Points
4. Estimating the Revenue & Profit Potential of the overall Strategy on a Per Vehicle Basis (ARPU). Estimating Partner Margins.

Additional Details:

- **Product Scope:** Solutions must be tailored to the specific capabilities of EVs. The **VIDA V2** (Connected, Premium, Removable Battery, Touchscreen) and **VIDA VX2** (Affordable, Removable Battery, BaaS-enabled, Connected) are solutions already available in the market.
- **Regulatory Constraint:** All data monetization ideas must comply with the **Digital Personal Data Protection Act (DPDPA) 2023**; data must be anonymized or consent-based. Energy trading must respect Indian grid regulations.
- **Market Context:** Focus on the Indian market dynamics (price sensitivity, infrastructure challenges).
- **Sustainability:** Second-life battery solutions must align with **Battery Waste Management Rules 2022**.

Case Study #2: Fighting Fake, Staying Safe

Leveraging Digitalization and Innovative Packaging to Combat Counterfeit 2W Parts

Context:

Counterfeit (fake or spurious) automotive spare parts pose a severe threat to vehicle safety, customer trust, and the brand integrity of Original Equipment Manufacturers (OEMs) like Hero MotoCorp. Substandard fake parts lead to premature vehicle failure, increased maintenance costs, and significantly increase the risk of road accidents.

The challenge is amplified by the sheer size of the Indian aftermarket, where industry reports estimate that the market for fake auto components, including those for two-wheelers, constitutes a substantial **30% to 40%** of total parts sold in retail outlets. Furthermore, counterfeit parts are estimated to contribute to around **20%** of all road accidents in India.

Hero MotoCorp is actively combating this menace through initiatives like "Fight Fake, Stay Safe" and by providing Unique Parts Identification (UPI) codes for customers to verify genuineness via SMS. However, the growing prevalence of fakes requires innovative and scalable digital solutions to address the issue across the entire value chain—from manufacturer to end-customer.

Problem Statement:

We are seeking innovative ideas for digital solutions and features that Hero MotoCorp can implement to:

1. **Stop the proliferation** of counterfeit two-wheeler spare parts in the aftermarket.
2. **Ensure end-to-end traceability** and authentication of Hero Genuine Parts (HGP).
3. **Enhance customer awareness and confidence** in purchasing HGP.
4. **Leverage data and digitalization** to identify and track counterfeiters more effectively.

Additional Details:

1. Submissions must focus on digitalization and innovative packaging solutions.

Focus Area	Key Requirements	Technology Direction to Explore
FUNCTIONALITY & TRACEABILITY	The solution must provide a Digital Product Passport (DPP) for every Hero Genuine Parts (HGP), capturing its origin, composition, and lifecycle history in a verifiable, non-tamperable record.	Blockchain/DLT (for secure, immutable data storage), IoT Sensors (for real-time data), and GS1 Digital Link Standards .
INNOVATIVE PACKAGING	Packaging must incorporate physical and digital-physical security features that are difficult to replicate, offer tamper-evident security , and link directly to the digital identity of the part.	NFC/RFID Tags (for quick, secure, smartphone-compatible tap-to-verify functionality), Security Holograms/OVDs , Laser Marking on parts/packaging, and
DATA & MONETIZATION	The system must generate actionable intelligence on counterfeit hotspots and offer clear monetization paths by incentivizing the use of HGP.	AI/ML Analytics (for pattern recognition and anomaly detection/alerting), Smart Contracts (for automated incentives/payments), and Digital Loyalty Platforms .

2. Field Research Mandate

Students are **mandatorily required** to conduct primary research. This research must be summarized in the final deck:

- **Workshop & After-market Visits:** Visit authorized Hero MotoCorp service centers and independent multi-brand workshops/local retail parts shops to observe the existing process of HGP procurement, packaging handling, authentication methods currently used, and the challenges faced by mechanics and customers regarding verification.
- **Identify Pain Points:** Document specific instances where counterfeit parts are introduced or where the current UPI code system fails or is challenging to implement effectively.
- **Voice of Stakeholder:** Capture the perspective of mechanics, parts retailers, and customers regarding willingness to use new technology (e.g., NFC/QR code apps) and willingness to pay a slight premium for certified authenticity.

3. FINANCIAL JUSTIFICATION SHEET

A basic Excel sheet detailing:

- **Cost Estimate:** Cost of implementing the core digital ID/tag solution (e.g., cost per part for an NFC tag vs. a security label).
- **Projected ROI:** A qualitative and quantitative estimate of the Return on Investment (ROI) based on projected reduction in counterfeit losses, increased HGP sales, and brand value protection.

