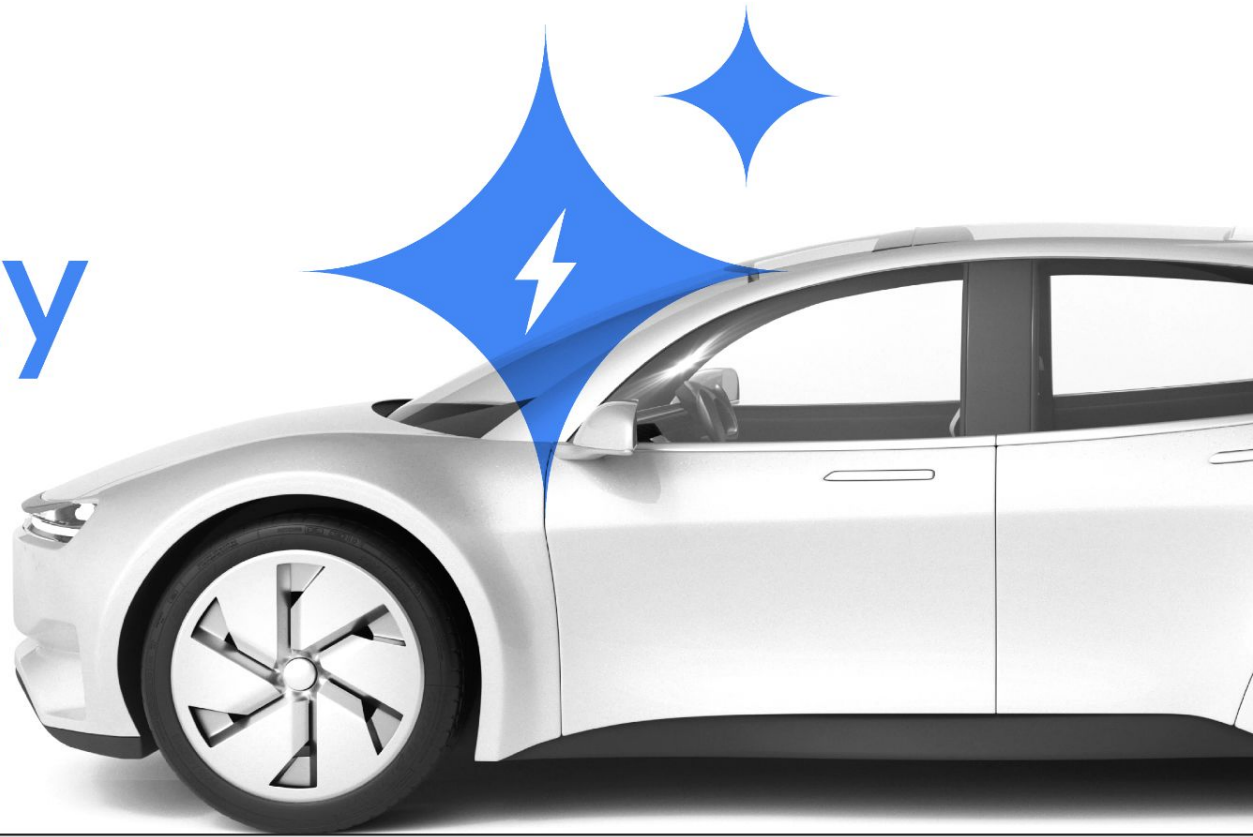


# Think Mobility

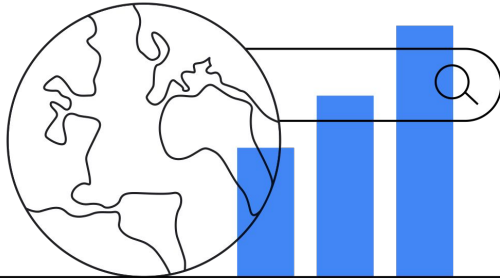


Google + BCG

# Reference

'Think Mobility' is a research report published by BCG & Google, which analyzes India's evolving auto landscape.

The research leverages BCG analysis, primary research and industry sources to shed light on India's auto ecosystem and the future of mobility in India. The information included in this report is sourced as 'Think Mobility', unless otherwise specified.



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Industry to double by 2030 and surpass \$600B. Growth will be across both Classic and Emerging value pools

## Electric Vehicles

1 in 3 consumers considering EV as their next purchase. E4Ws need more variety. Women's influence in EV decision-making is high

## Connected Features

Indian consumers' needs are different from overseas markets. Strong demand (~80%) for infotainment and real-time parking assistance

## Shared Mobility

Self-drive rentals and Subscriptions are poised to grow. Increasingly becoming an additional channel to encourage trials

## Pre-Owned Market

Market is waiting to be unlocked - 1 in 4 consumers open to buying pre-owned as their first car and 1 in 3 viewing it as a lifestyle upgrade

## AI Opportunity

AI and digital transformation will play a pivotal role in creating seamless consumer experiences



# 01

**Indian Mobility  
industry set to  
double by 2030**



# India is the 3rd largest auto market in the world and poised to grow

Changing geopolitical scenario making India attractive as a market for imports and exports



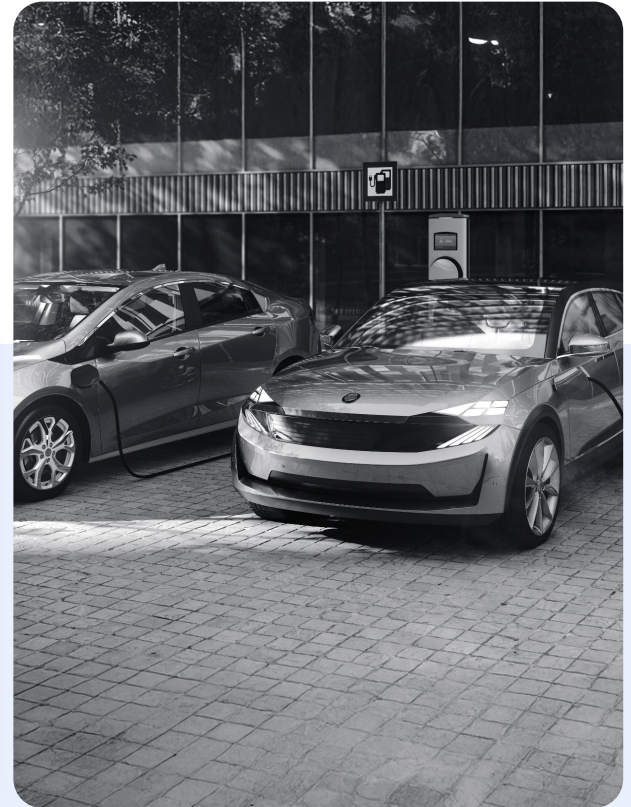
## 2.7x

increase in affluent and elite households by 2035

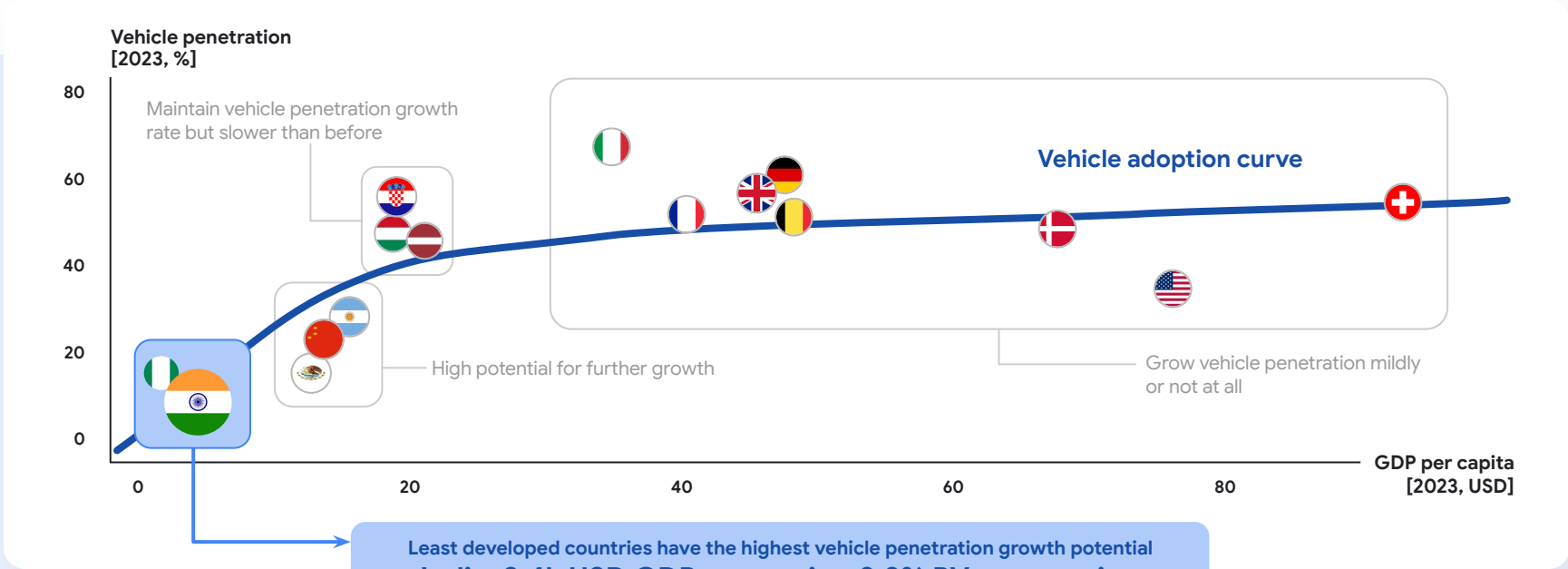


## 2x

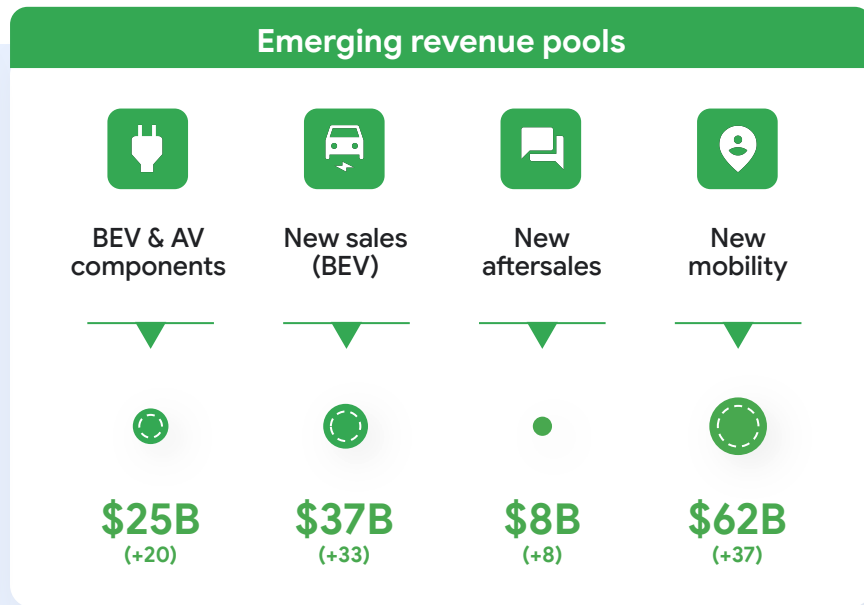
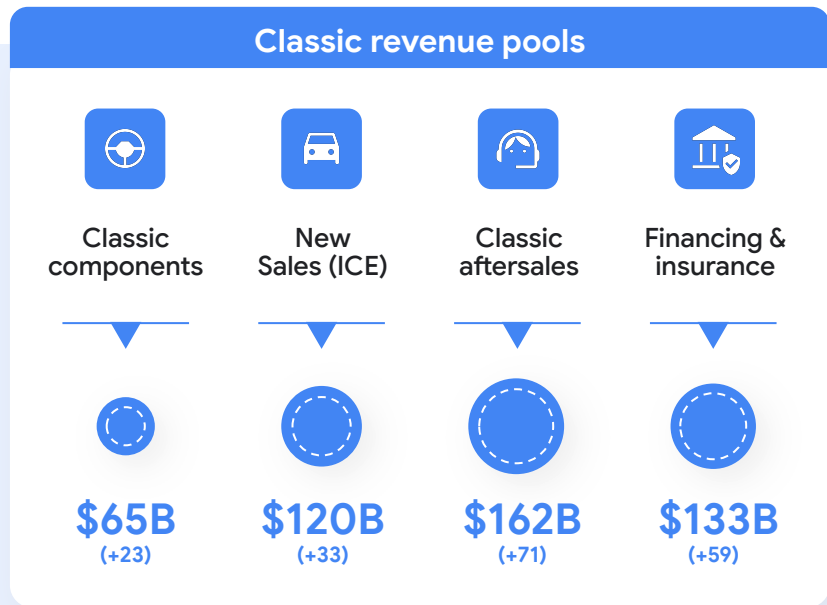
growth in infra expenditure as a share of GDP from 1.6% (2018-19) to 3.2% (2023-24)



# India at 3.3% personal car penetration with huge headroom for growth



# Industry to double and surpass \$600B by 2030 with ~\$100B from Emerging Revenue Pools



● ● 2030    
 ● ● 2024

# 02

India's electric  
vehicle penetration  
to grow multi-fold





# E4W and E2W have similar consideration rates...

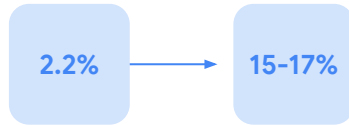
Similar consideration for next purchase...



E4W

V/S

... with vastly different expected segment shares



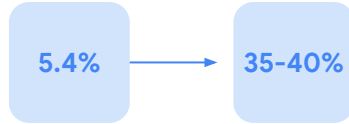
FY24

FY30 (E)

V/S



E2W



FY24

FY30 (E)

# ... but exhibit contrasting needs and perceptions



E4W

**Sophistication, advanced technology, exclusivity**



“It has smart features that you don’t see in regular cars that others own. It’s exciting to buy something so advanced”







E2W

**Affordability, comfort, convenience, accessibility**



“The convenience of charging the scooter at home is a big plus for me and my family”

# Charging, pricing, battery life and model variety will unlock E4W penetration

Barriers	Percentage of customers who find this a concern	... and possible unlocks
 <b>Charging Infrastructure</b>	<b>51%</b>	<ul style="list-style-type: none"><li>• Charging infrastructure availability and discoverability</li></ul>
 <b>High Acquisition Costs</b>	<b>45%</b>	<ul style="list-style-type: none"><li>• Innovative financing options</li><li>• Localized and scaled up manufacturing</li></ul>
 <b>Battery Life</b>	<b>31%</b>	<ul style="list-style-type: none"><li>• Warranty Extension</li><li>• Transparency Across Battery Health</li></ul>
 <b>Model Variety</b>	<b>20%</b>	<ul style="list-style-type: none"><li>• 60% of the upcoming E4W models completely new, being developed by major Indian OEMs</li></ul>

# Potential to learn from structured finance offerings from OEMs in premium segments

## Features of a potential new-age financing structure in India



Upto  
**40%**

Lower EMIs by inclusion of residual value at end-of-contract



**2-5**  
Years

Tenure, providing customer more control over their ownership terms



Upto  
**65%**

Assured buyback value at resale



Flexible end-of-contract terms including car upgrade, retention and resale

# Innovative AI solutions can address consumer pain points on battery health and range

Global and Indian players have pioneered battery health transparency models

## Battery Certificate

*Early European EV OEM*

Certificates showing the remaining energy capacity / State of Health (SOH) of their battery



## Battery Passport

*Leading European OEM*

Information on the raw materials, recycled content and the overall carbon footprint of the battery



## Smart power output adjustment

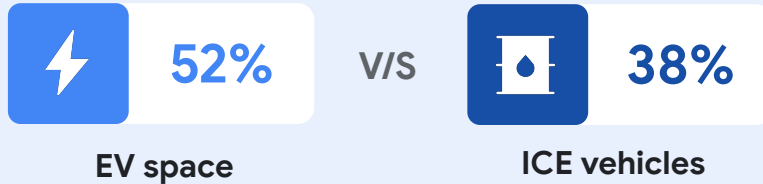
*Leading Indian E2W challenger*

Offerings like regulating the available power by dynamically adjusting maximum acceleration based on multiple factors to optimize battery health



# Women behind the wheel in shaping EV purchase decisions

Women are significantly more active decision-makers in:



Gap in current brand communication strategies could prevent further adoption



I'm not always the one driving, but I make sure the car we choose suits our family's needs—that's why I pushed for an E4W

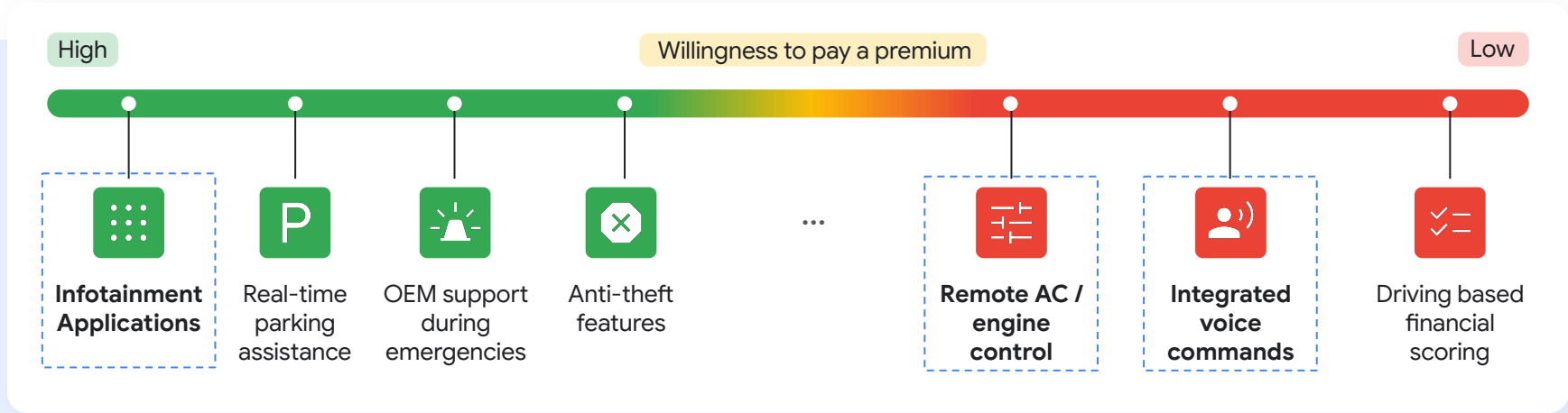


# 03

## Practicality powers India's demand for connectivity



# India demands practical, everyday features



A good infotainment system makes driving so much simpler and safer. Whether it is accessing my playlist or getting real-time traffic updates, I don't need to take my eyes off the road; it is like having a personal assistant on-the-go



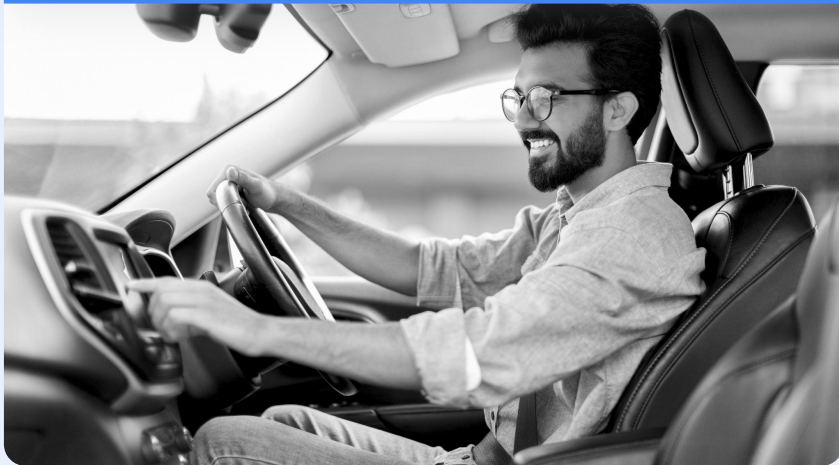
Remote engine control makes me worry about my car's safety over everything else. And the voice command systems have trouble understanding my accent

= Most common tech features in 4W

# Connected features should be tailored to specific customer segments

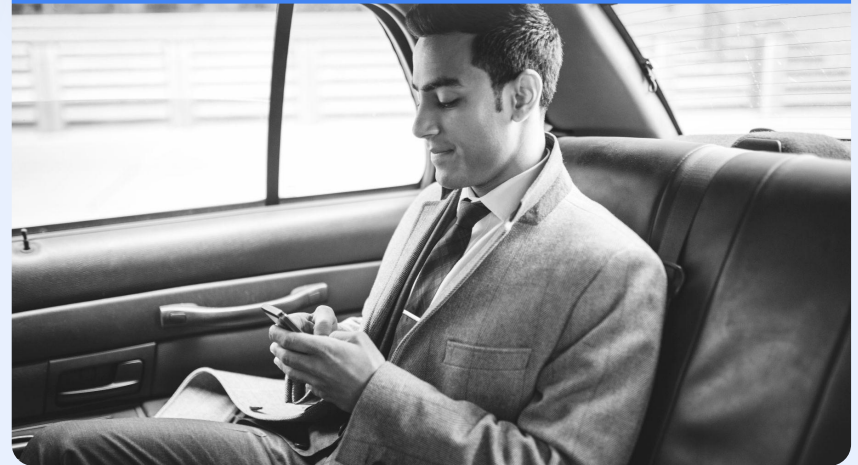
## Office going, mid-income commuters

Have high affinity towards advanced tech features like auto-parking assist and real-time information on availability of parking slots



## High income, status driven commuters

Look for personalization features like predictive maintenance tips based on driving behavior





# In-built navigation is a key feature demanded by 2W consumers in India



41%

Of 2W consumers say that they would prefer to have navigation / GPS on the vehicle dashboard



# 04

**Self-drive rentals  
and subscriptions  
to be the  
showrooms  
of the future**



# Self-drive rentals are the showrooms of the future



**85%**

users are willing to consider the **car model they rented** as their next car purchase



**2.7x**

more likely than older cohorts, **Gen Z prefers using self-drive rentals**



**Potential to unlock value** by bridging the current gap in **availability and variety of cars** in self-drive rentals



# Subscription models need to be optimized as seen globally

## Customer Experience

- Streamlined process with lower TAT
- Fully online journey

## Optimal Pricing & Utilization

- Right pricing mix for competitiveness and full asset utilization
- Potential realization by lower upfront costs and flexibility

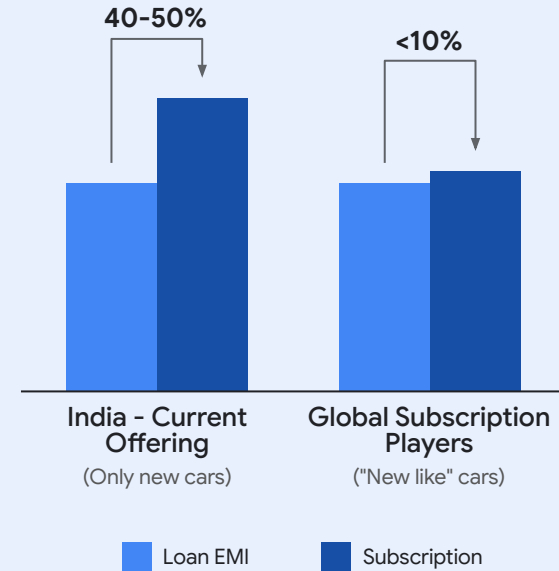
## Digital Marketing

- Target younger consumers - higher reception to new technology and sustainability
- Enhanced conversion rate through accurate profiling

## Ability to remarket

- Vehicle resale at the end of the subscription
- Defined remarketing strategy at procurement stage

# Indian subscriptions priced noticeably higher than loans



1 in 2 customers find subscription premiums higher than monthly car loan EMIs

# Revisions in current model with strategic OEM involvement can make the proposition more compelling

- **Joint assessment of resale value with the leasing company** to help adjust subscription prices
  - Inclusion of battery usage data for fair EV assessment
  - Automation of inspection and approval process
- **Multi lifecycle usage of assets** through shorter subscriptions and flexible pricing systems
- **Better support on refurbishment, RTO transfer** etc. via integration of real-time digital monitoring systems



05

Pre-owned car  
market primed  
for high growth



# Pre-owned cars appeal to both first time buyers as well as lifestyle upgraders

## Rising Popularity Among First-Time Car Intenders:

- **1 in 4** first time car intenders plan to buy pre-owned as their very first car
- Functional Triggers & Barriers:
  - a. Digitization, transparency, and trust are crucial to convert these intenders into actual purchasers



Getting a pre-owned car would help in affording a better vehicle at lower costs – but the process seems cumbersome, and I am unsure about the customer service after purchase

## Not Just About Saving Money:

- **1 in 3 consumers** seek pre-owned cars for exclusivity and a lifestyle boost
- Both Emotional & Function Triggers:
  - a. High-income, status-driven commuters choose luxury second-hand cars for uniqueness
  - b. Frequent roadtrippers prefer pre-owned vehicles for rough-and-tumble usage and frequent upgrades



“I wanted something unique, and a second-hand premium car gave me the exclusivity I couldn’t afford brand-new—it feels like I upgraded my lifestyle without breaking my bank”

## Sellers prefer (1.5X) organized channels...

Organized channels acting as one-stop shops for prospective sellers to sell their cars, providing:

- Hassle free experience
- Streamlined processes
- Improved valuation
- Full ownership transfer post purchase



Selling a car should be hassle free with no potential follow ups from customers later on.

## ...however, preference flips (.8X) when buying a pre-owned car

Purchasers of pre-owned vehicles hesitant in approaching organized sellers against local network of brokers / friends due to:

- Perceived lack of transparency in the opaque systems
- Rigid payment structures
- Lesser trust when compared to in-network friends, brokers etc.



When I'm buying a 2nd hand car, I want to buy it through someone I trust and someone I can reach out to if something goes wrong.

**Customers value different things as sellers and buyers – providing flexible payment options and personalized after sales service to improve low preference towards organized platforms as pre-owned car sellers**



# Transparency of historical car data key to unlocking the organised resale buying market

Leading pre-owned cars platforms integrate details about the vehicle in their offerings



**Vehicle Details** - make, model, year, insurance, loan, etc. of the car



**Odometer reading** - accurate mileage of the vehicle, including tampering issues, if any



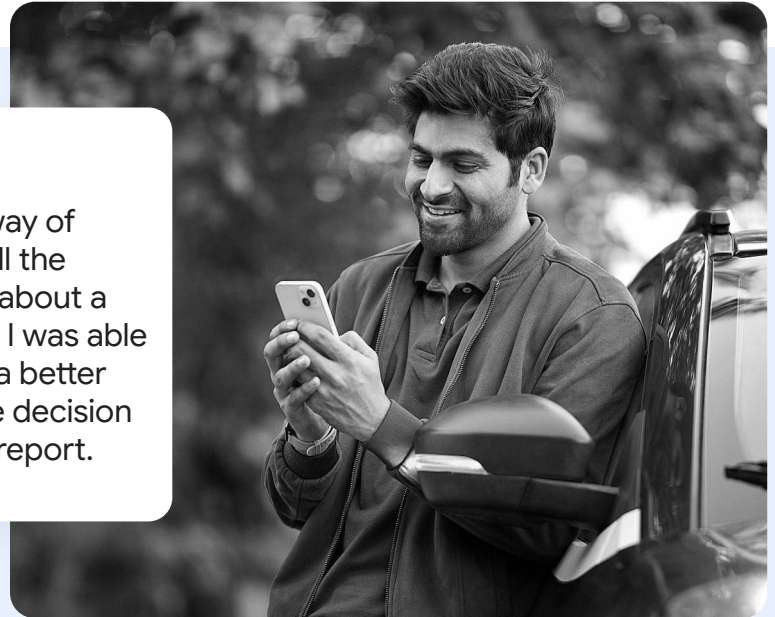
**Car parts** - if any parts were replaced, repaired or repainted



**Accident history** - details about any accidents, damages, or flooding incidents



Helpful way of getting all the answers about a used car. I was able to make a better purchase decision with the report.

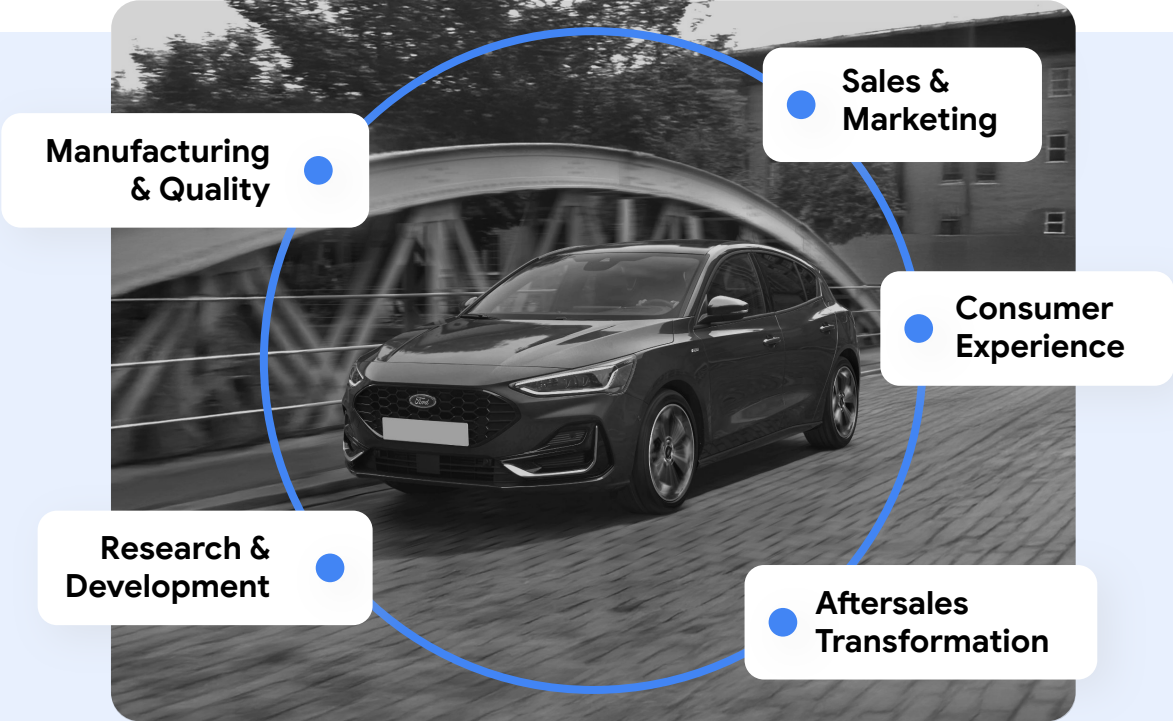


06

AI will transform  
the complete  
value chain



# The power of AI will transform the mobility value chain



# Innovating and capturing the upcoming value will require auto ecosystem to re-imagine core elements

Directional, Non Exhaustive

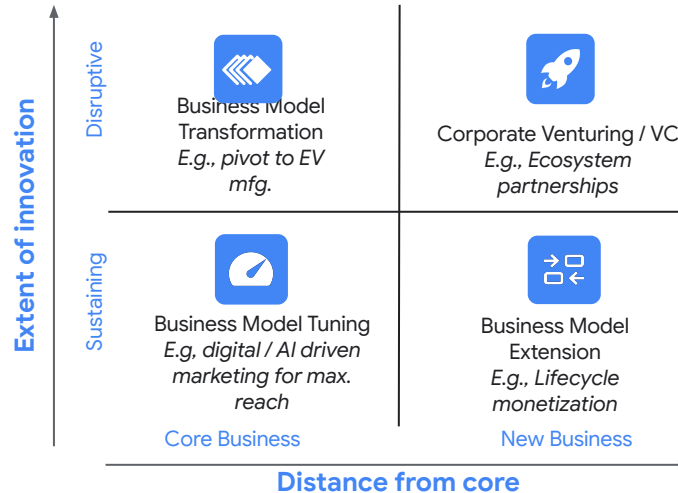
## Go to Market

Target Segments and Offerings

### Marketing

E.g., Personalization engines, Data-led, digital first cust. exp.

Revenue Model



## Operating Model

Core Processes - NP, S&OP, Mfg,...

Cost Structure - OEM, Dealer, Others

Data & Analytics, Governance, Reporting

Supported by best-in-class capabilities of AI & Digital

# Thank you

