

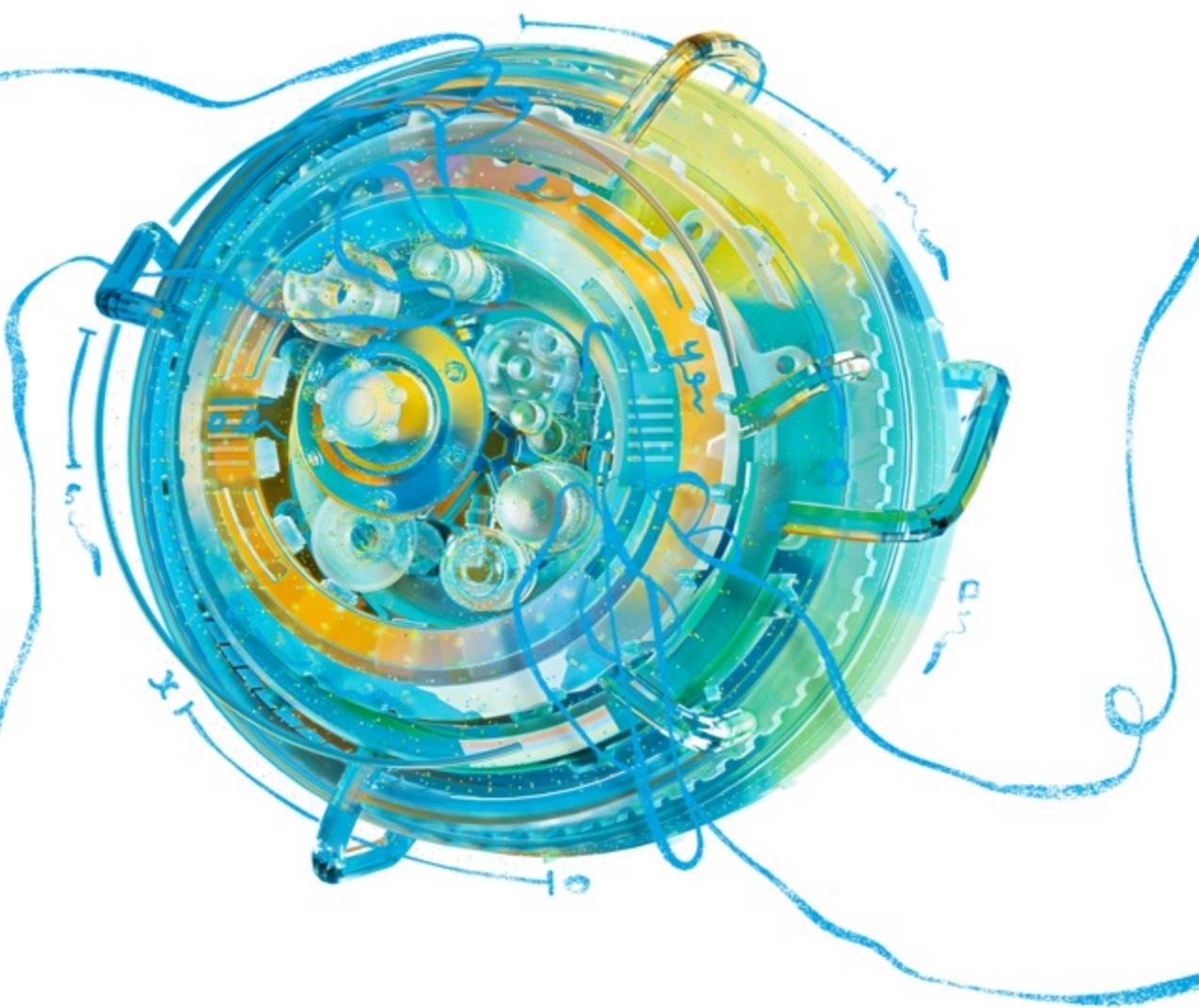


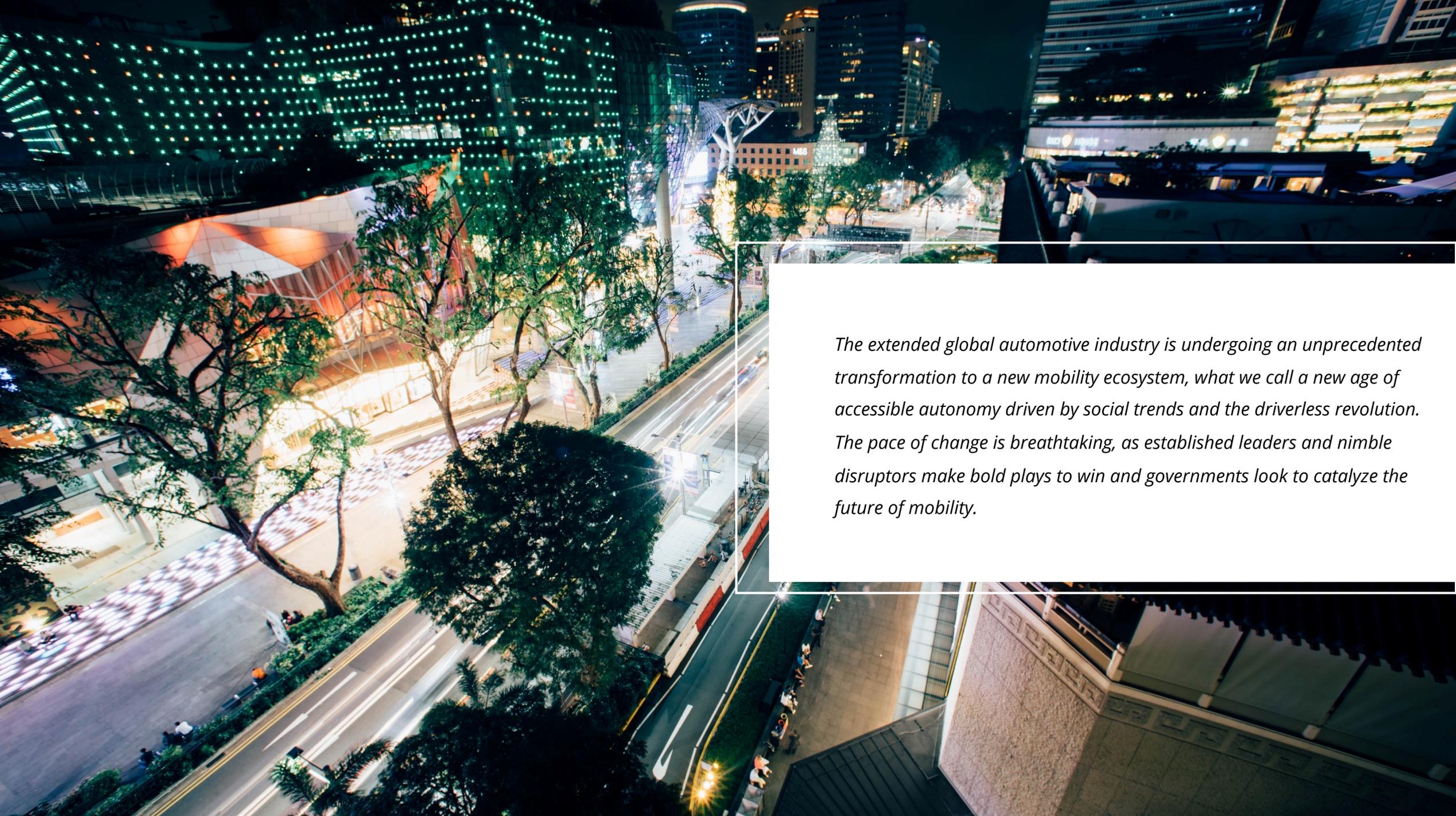
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February 2023

Subscribe & Drive

How to boost monetization leveraging the subscription economy trends in the Automotive sector





The extended global automotive industry is undergoing an unprecedented transformation to a new mobility ecosystem, what we call a new age of accessible autonomy driven by social trends and the driverless revolution. The pace of change is breathtaking, as established leaders and nimble disruptors make bold plays to win and governments look to catalyze the future of mobility.

Key Contents

Zuora Automotive POV will be focused on 7 Key Contents



MARKET TRENDS

Overview of the main **automotive trends** and **consumers' needs**



BENCHMARK & BEST PRACTICES

Comparison of the **subscription models** among **industries** and identification of the main **best practices**



AUTOMOTIVE CAPABILITY MAP

Framework of the **capabilities** relevant for the automotive sector



USE CASES LIBRARY

List of the most valuable automotive **use cases**



BUSINESS KPIs

Identification of the main **business KPIs** automotive companies need to target and monitor



HL ARCHITECTURE

Design of the high-level **IT architecture** needed to manage subscription business



AEP

Showcase of a subset of the automotive core use cases



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Market Trends

AUTOMOTIVE: AN EVER-CHANGING SCENARIO

The changes taking place in the automotive sector - driven by the **automotive market macro-trends** impose a profound rethinking of the role and concept of the 'car' itself, which extends from the business models of the various players on the market to changes in the logic of purchase and use of vehicles by end users





Global Automotive Industry: an evolving Market

In the last few years, the global auto industry faced difficulties due to the volatility and dynamic environment of the market

MAIN FACTORS AND EVENT THAT IMPACTED AUTOMOTIVE GLOBAL MARKET

01

BREXIT

Brexit strongly influenced **auto sales** in 2019 resulting in **uncertainties** in the European automotive market

- 29 %

UK Car export to Europe in 2019

02

CHINA SLOWDOWN

Due to the national **economic slowdown**, China's auto sales fell

- 8 %

China's auto sales drop recorded between 2018 and 2019

03

COVID-19

Starting in 2020, COVID-19 impacted China's automotive supply chain and affected **negatively** the **whole Global demand**

- 16 %

Production decrease between 2019 and 2020

- 75 %

Car sharing drop in mid 2020

04

VEHICLE ELECTRIFICATION

OEMs are pushed from major economies' governments to develop and **produce more fuel-efficient and electrified vehicles**

70 %

Electric vehicle by 2030



Automotive Ecosystem response to the Evolving Market

From the Global Automotive Market evolution 6 Main response from OEMs emerged

OEM RESPONSE TO THE EVOLVING MARKET

01

Re-designed business models to capture new growth opportunities

02

Shape an ease of use and speed purchase virtual process

03

Create new projects and partnerships to exploit new trends

04

Rethink sourcing strategies (eg.: onshore)

05

Use data and analytics to manage market uncertainties and supply volatilities

06

Used car market has seen a significant boost



Global automotive trends

Deloitte studies on automotive industry identify 5 main trends

5 MAIN TRENDS

01 **ELECTRIFIED VEHICLES**



Different vehicles components impacting **vehicle lifecycle & after sales competences**

02 **METaverse**



Seamless **customer experience** between the real world and the metaverse for new revenue streams

03 **ARTIFICIAL INTELLIGENCE**



From **autonomous vehicles** to predictive activities enabled by **artificial intelligence** and **machine learning**

04 **AGENCY MODEL**



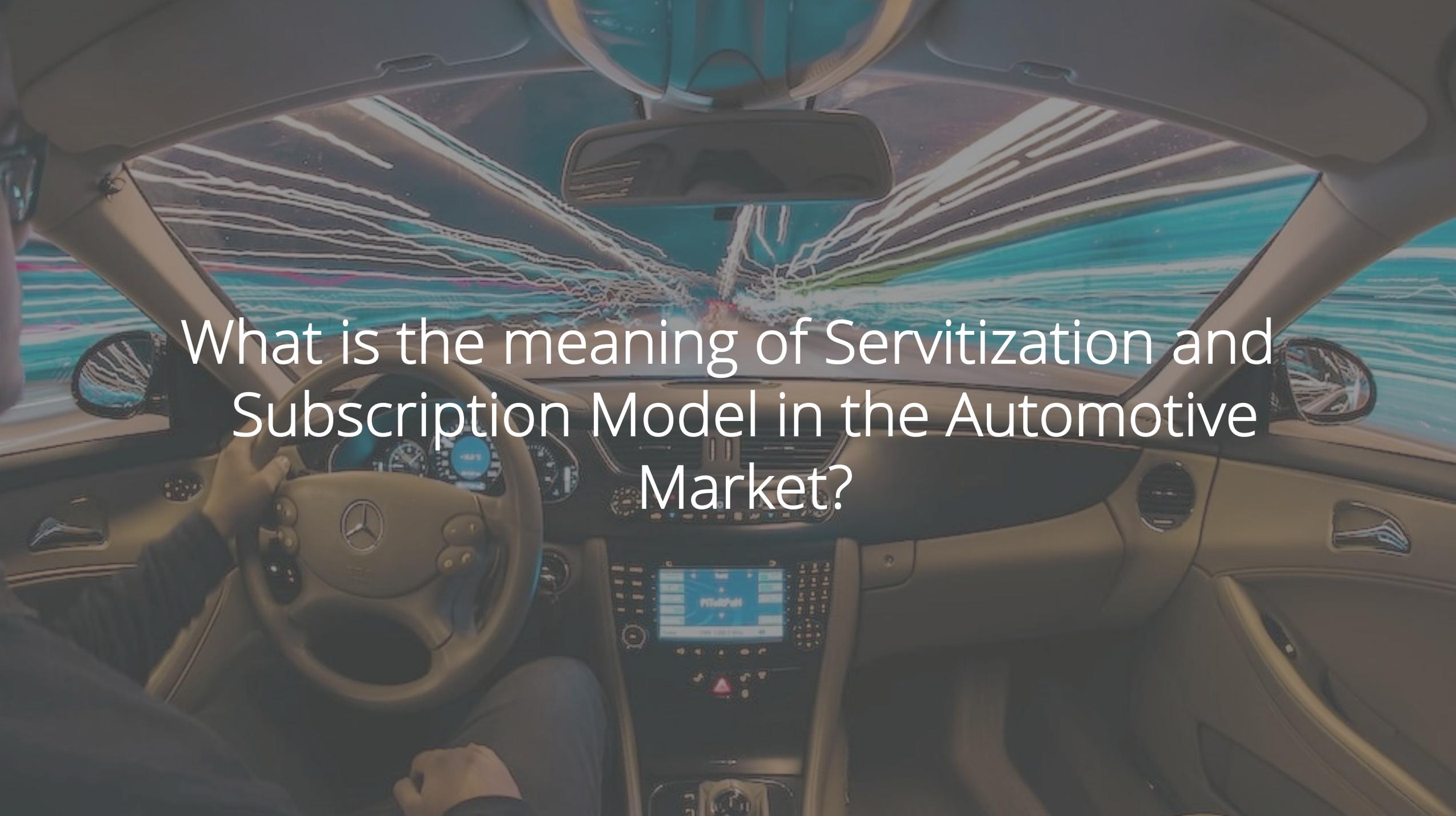
From a traditional structure to a **direct to customer** operating model enabled by agencies

05 **SERVITIZATION**



Generation of new streams of revenues thanks to **subscription models** and **services**

Focus on Next Slides

A first-person perspective from the driver's seat of a Mercedes-Benz vehicle. The steering wheel features the Mercedes-Benz logo. The dashboard and center console are visible, with a digital display showing a navigation map. The view through the windshield is a stylized, futuristic road with glowing lines and a blue sky, suggesting a high-tech or autonomous driving environment.

What is the meaning of Servitization and Subscription Model in the Automotive Market?

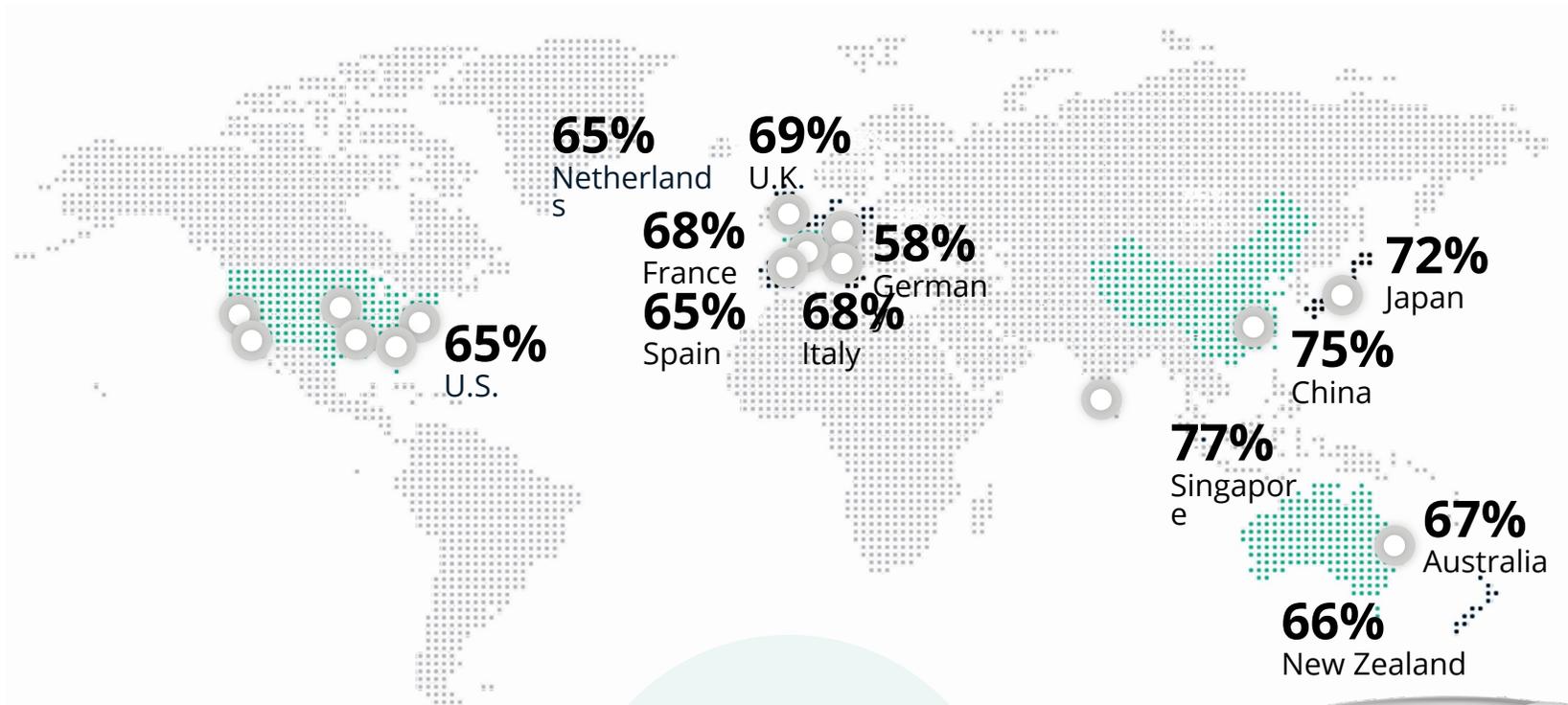


The World Has Shifted From Ownership to Usership

In a dynamic world, where people are constantly on the move Consumer's mobility preferences have changed.

In the last period there are a steady **decline** in the importance and appeal of **car ownership** for **flexible models** like **vehicle subscriptions**.

What Consumers expect is an **offer** in person consultation and **personalization** option as key components of the sales journey.



75%

of people want to own less car and subscribe to more services

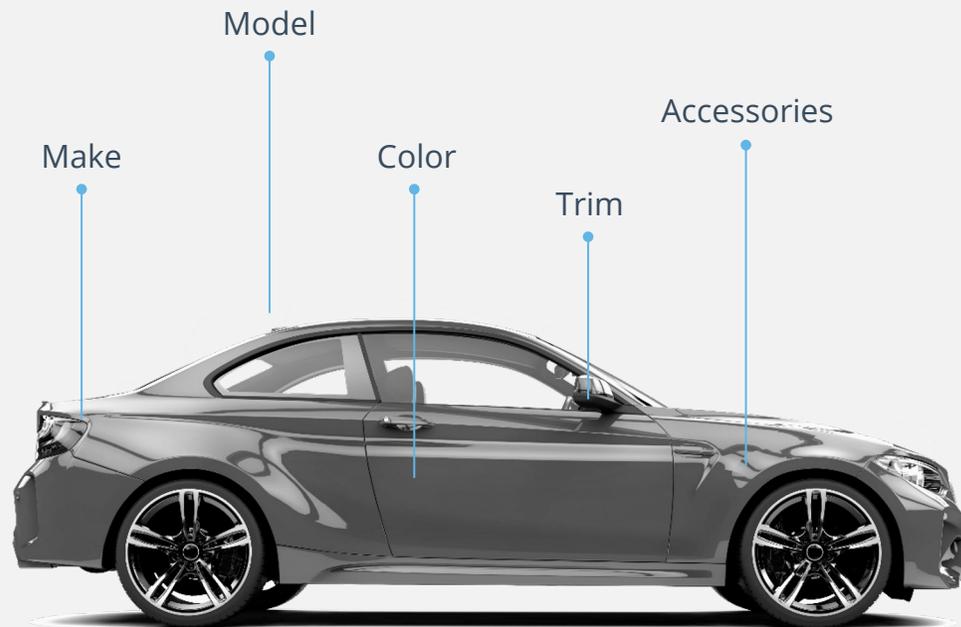


Towards to the subscription model: a change of paradigm

Consumer needs are shifting from a product-centric business, focused on features, to subscriber-centric business model focused on values & outcomes

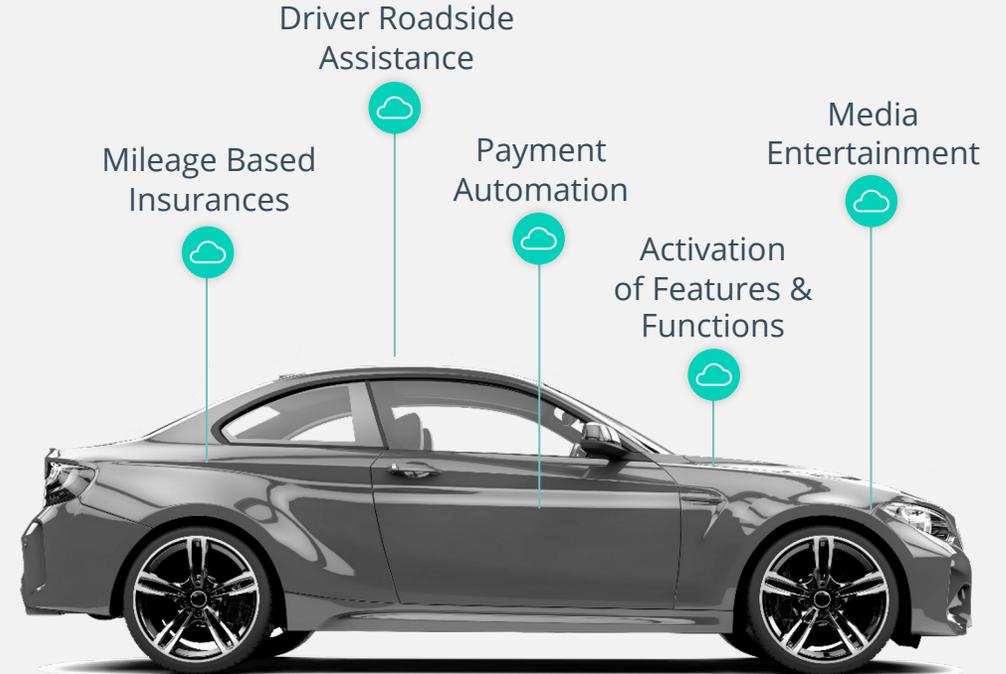
SELLING A CAR

Focused on features



SELLING SERVICES

Focused on values & outcomes





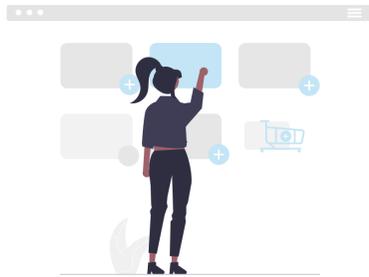
Rise of New Subscription Trends

Automotive Industry is doomed to transform and grab the market opportunity by offering 360 mobility and services

3 OF THE MAIN SUBSCRIPTION TRENDS IN THE AUTOMOTIVE MARKET

01

CONNECTED SERVICES



6 out of 10 car purchases are driven by connected services features/availability

Fit-for-Purpose connected services improve vehicle performance, **driving experience**, and work-life productivity

02

DATA MONETIZATION

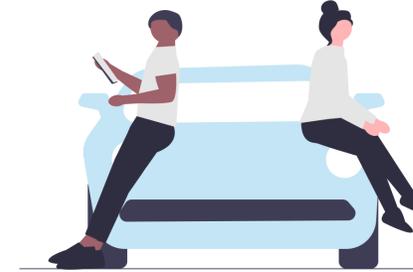


By 2025 **Car-Payments** will be initiated from inside the car

Netflixication of Cars - Life-cycle monetization based on data will create \$1.5 trillion by 2030

03

SHARED MOBILITY



Shared mobility is gaining ground across the globe, impacting car sales ownership growth. Indeed, the **Car sharing** segment has a **CAGR 2023-2027 of 10%**

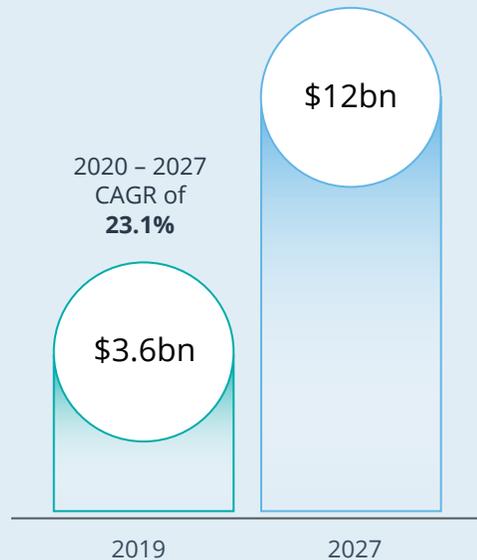
Safety precautions, especially related to Covid-19 pandemic pose the most critical threat to emerging shared mobility but new offers started to rise with **more attention to personal safety**



The Growth of the Subscription Market in the Automotive

In the future the subscription business will grow considerably reaching \$12bn in 2027

GROWTH OF VEHICLE SUBSCRIPTION MARKET SIZE



GROWTH OF MARKET OPPORTUNITY CONNECTED TO VEHICLE SUBSCRIPTION

Automotive Industry is doomed to transform and grab the **Monetization Opportunity** by offering 360 mobility and services around their brands and products

\$86bn

Volume of In Car Payments by 2025

\$750bn

Revenue coming from Vehicle Data

GROWTH OF CUSTOMER CLV FOR AUTOMOTIVE SUBSCRIPTION

The shift to **subscription models** can see up to

40%

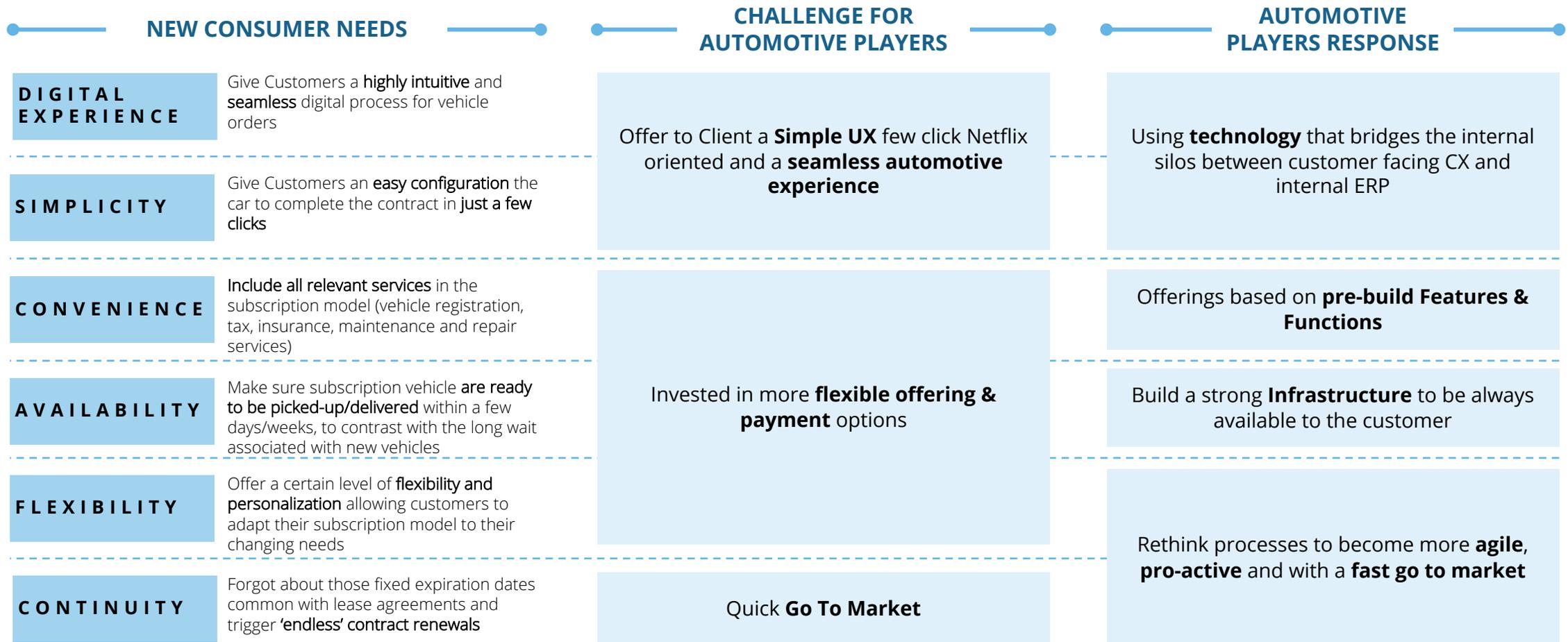
in **Customer lifetime value** over selling the exact same products on a non-subscription business basis





How Automotive Players can respond to new consumer needs

Alongside with the Subscription there is the rise of new consumer needs that force the Automotive Players to define new actions to address them





Other Markets Opportunities

In the Automotive market there is plenty of room for subscription opportunities

01

Automotive Players that already offer one shot purchase services can convert them in recurring subscription models (e.g., road assistance, maintenance)

02

Features that are offered for free by most of Automotive Players can become features sold with a recurring subscription model after the first expiration date (e.g., warranty extension or other connected services)



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Benchmark &
Best practices

Subscription models

We have identified 5 main subscription models and a list of cross features to be used as framework to map the industry specific use cases



FIXED PACKAGE

Consumer buys a fixed package of products or services at an advantageous recurring price



CURATED BOX

Consumer subscribes to a standardized box where the product mix is decided by the company, according to the consumer's profile / behavior



MEMBERSHIP

Consumers subscribes to a paid program with several benefits or exclusive services (e.g., discounts, special events, VIP accesses, etc.)



PAY PER USE

Consumer subscribes to a service with a usage-based fee that is calculated at the end of the billing period



REPLENISHMENT & IOT

Consumer subscribes to a service that automatically grants the replenishment of a certain product / bundle, based on the actual consumption



CROSS FEATURES

Consumer, on top to the above mentioned subscription models, can include some additional features to his / her subscription

BASIC FEATURES

Activation fee

Free first installation

Free/Fast delivery

Free gifts / free trials

Additional One Time Purchase

Subscription Flexibility

Additional discount

Maintenance

PREMIUM FEATURES

Extended Warranty

Tech support 24/7/365

Access to events & limited editions

3rd Parties Services

Upgraded delivery options

Free repair / substitution



Subscription models Benchmark | Focus on Best-in-class

For each of the subscription models identified we have described the services offered by the main Companies



FIXED PACKAGE



MEMBERSHIP



CURATED BOX



PAY PER USE



REPLANISHMENT & IoT

Offering

Car related services subscriptions including insurance, roadside assistance, vehicle maintenance, etc.

Membership subscription allowing **club members** to have access to exclusive local and national events, factory tours, alongside in-depth technical help and other **exclusive benefits**

Consumer can subscribe to a recurring delivery of a **standardized delightful box** to give the subscriber the opportunity to discover new products and be surprised

Consumers will pay for the **kilometers travelled** more than those included in the monthly subscription package

By activating a subscription, the Customer will have a connected car and can take advantage of a series of **remote services**

Market Reference

PORSCHE - AUDI

JAGUAR & LAND ROVER

MERCEDES - NISSAN

VOLVO - PIRELLI

LINK & CO - TESLA

PORSCHE

BIKER GEAR CLUB

NISSAN - ENJOY

LINK & CO - TESLA

PORSCHE - MERCEDES

JAGUAR & LAND ROVER

TOYOTA

PORSCHE

DRIVE



FIXED PACKAGE

- **Flexible & Inclusive Car subscription packages that includes:**
 - Insurance Coverage
 - Personal Concierge
 - Roadside Assistance
 - Vehicle Maintenance
 - White-Glove Delivery (Complimentary delivery and pick-up is available within 20 miles of the participating Porsche Drive partner dealership)
- **Different type of commitment:**
 - **Short Term** subscription: 1 Months (1500 Miles / Month)
 - **Long Term** Subscription: 3 Months (1500 Miles / Month)
- Payment of an **Activation fee** and a **Monthly Fee** (Depending on the Car Model Chosen)



MEMBERSHIP

- Multiple **level of membership** available for subscription:
 - **Single-Vehicle Subscription**
 - Vehicle Selection: Access to one Porsche vehicle
 - Commitment: 1 Month or 3 Months
 - **Multi-Vehicle Subscription**
 - Vehicle Selection: Access to a fleet of Porsche vehicles pending availability
 - Commitment: Monthly



REPLANISHMENT & IoT

- **Connected Cars** with a **Dedicated app** as entry point to subscribe to Connected Services and to request deliveries and pick-ups, and concierge service. Also accessible via website, email or phone.

CARE BY VOLVO



FIXED PACKAGE

- **Car subscription packages** including:
 - Insurance Coverage
 - Factory Scheduled Maintenance
 - Tire & Wheel Protection
 - 24/7 Roadside Assistance
 - Excess Wear Protection
 - Flexible Subscription Term (consumer can You can cancel your subscription any time after 5 months have expired in the lease term without incurring any early termination charge)
- Payment of a **Monthly Fee** (Depending on the Car Model Chosen) with **1,250 Monthly Mileage included** in the subscription

PIVOTAL



FIXED PACKAGE

- **2 Type of Subscription:** Personal and Business Subscription
- **4 Type of Fixed Packages** with different price range based on the type of vehicle selected. The **Fixed Package includes:**
 - 1,500 miles per month
 - 3-month minimum initial commitment
 - The option to update your vehicle as often as every 6 months (subject to vehicle supply) + £250 to update more frequently if you require (subject to vehicle supply)
 - Home delivery and collection at no additional cost
 - Fully comprehensive insurance + the option to bolt on an excess waiver
 - Servicing and maintenance included through normal use
 - Wear & tear cover (aligned with the BVRLA Fair Wear & Tear Standard)
 - 24/7 Roadside Assistance
- Payment of a **Monthly Fee** (Depending on the Car Model Chosen)



REPLANISHMENT & IoT

- **Connected Cars** with a **Dedicated app** as entry point to subscribe to Connected Services that can be installed in the Car (e.g., Navigation and Localization Services)

NISSAN INTELLIGENT OWNERSHIP



FIXED PACKAGE

- **2 Type of Fixed Package Subscription:**
 - **Self Owned Subscription:**
 - Tenures Starting from 24 Months
 - Private Number Plate with option to own
 - Zero Maintenance and Insurance Cost
 - **Share-Back Subscription:**
 - From 3 to 12 Months subscription
 - Registration in the name of service provider
 - Share Back and Save: Opportunity to save up to 40% of monthly subscription fee by sharing your subscribed vehicle with others on Zoom Car Platform
 - Zero Maintenance and Insurance Cost
- Payment of a **Monthly Fee** (Depending on the Car Model Chosen and the Tenure)
- Possibility to Upgrade the Car Chosen and to Modify the Subscription Tenure



PAY PER USE

- Possibility to switch to a **Pay per Use Subscription** in case of the KM performed with the car exceed the ones included in the Monthly Fare: Excess km charges will be Rs 7 per KM (to be calculated at the end of the subscription period)



FIXED PACKAGE

- **2 Type of Fixed Package Subscription:** Personal and Business Subscription
- The **Fixed Package includes:**
 - Access to a curated collection of quality cars
 - Ability to swap cars
 - Concierge services
 - Flexible contract durations
 - Insurance and road tax
 - Regularly scheduled maintenance
 - Possibility to purchase the car after the subscription
- Payment of a **Monthly Fee** (Depending on the Car Model Chosen, the Tenure and the Mileage)
- Possibility to choose a subscription Fares with unlimited Mileage

BIKER GEAR CLUB



CURATED BOX

- Possibility to subscribe to a **Curated Box** containing each month different accessories and gadgets for Motorbike enthusiastic
- 4 different **type of box** according to consumers riding preferences:
 - Sport & Street Rider Box
 - Standard & Cruiser Box
 - Vintage & Café Racer Box
 - Adventure & Dirt Biker Box
- Possibility to subscribe for a **Monthly** or a **Quarterly** Box
- Possibility to **Gift the Subscription**



LINK & CO



FIXED PACKAGE

- **Fixed Package Subscription** of hybrid cars that includes:
 - Insurance
 - Scheduled Maintenance
 - Car Updates
 - Roadside Assistance
 - Possibility to pay extra fee for additional accessories (e.g., Roof Rack)
- Payment of a **Monthly Fee** with 1250 Km/month included
- Possibility to **cancel** the subscription anytime



PAY PER USE

- Within the monthly subscription, possibility to switch to a **Pay per Use Subscription** in case of the KM performed with the car exceed the ones included in the Monthly Fare: Excess km charges will be 15 cent per KM extra
- **"Borrow"** subscription package:
 - through a dedicated App is possible to send a booking request to car lenders
 - Once the booking is completed, it is possible to return the car and the rental fee is deducted from users account based on usage



FIXED PACKAGE

- **3 Type of Fixed Package Subscription:**
 - **Smart:**
 - Pirelli tire set
 - Tire fitting
 - TPMS sensor reset
 - Balancing
 - Warranty extension
 - **Superior:**
 - Pirelli tire set
 - Tire fitting
 - TPMS sensor reset
 - Balancing
 - Roadside assistance
 - Vehicle check-up
 - Complete trim
 - Vehicle sanitation
 - Warranty extension
 - **Easy:**
 - Road assistance
 - Puncture protection
 - Vehicle check-up
 - Vehicle sanitation
- Payment of a **Monthly Fee** with different price depending on the package
- To the Smart and Superior packages, is possible add the Easy package, Seasonal storage and EV Charge

ENJOY



PAY PER USE

Possibility to **rent a vehicle** and **pay** for the service based on **usage** by registering to the APP 'Enjoy'.

Two different Rates:

- **Per minute**

- Booking free up to the first 20 minutes
- Extended booking at €0.19/min up to 70 minutes
- Cost per minute €0.29/min (up to 50km)
- Vehicle unlock € 1
- Cost for each additional km €0.29/min
- Maximum daily rate equal to € 69

- **Daily**

- Booking free up to the first 20 minutes
- Extended booking at €0.19/min up to 70 minutes
- Pre debit at the start of the rental
- Cost 1 day €49 (up to 50km)
- Cost 2 day €90 (up to 100km)
- Cost from 3 to 15 days 40€/day (up to 50 km per day)
- Cost for each additional km €0.29/min

TOYOTA



REPLANISHMENT & IoT

- Paying a monthly fee, it is possible **connect the car** to the **Toyota APP** by choosing from a series of services, such as:
 - Safety Connect
 - Service Connect
 - Wi-Fi Connect
 - Drive Connect
 - Remote Connect



MERCEDES ME CONNECT



FIXED PACKAGE

- **Fixed Package Subscription** of all-electric vehicles that includes:
 - Insurance
 - Maintenance
 - Registration fees
 - Road tax
 - Tyres
- Payment of a **Monthly Fee**



REPLANISHMENT & IoT

- Paying a monthly fee, it is possible have **remote access** to the **car** through the '**Mercedes Me Connect**' **APP** by choosing from a series of services, such as:
 - Remote Engine Start
 - Remote Door Lock & Unlock
 - Locate Vehicle
 - Live Traffic Information
 - Online Map Updates
 - Car-to-X Communication
 - Software Updates

TESLA



FIXED PACKAGE

- **2 Type of Fixed Package Subscription** to have access to tools for professional maintenance and repair:
 - **Service and Repair Information:**
 - Service Manual, Parts Manual, and Body Repair
 - Tooling Catalog and Wiring Diagrams
 - Service Bulletins
 - Labor Codes and Times
 - **Diagnostic Software:**
 - Toolbox 3 Diagnostic Software
 - Standalone HV Battery Shipping Evaluation Tool (Model S, 3, X, Y)
- Pay a **fee** of \$9.99 **monthly** to subscribe the **Premium Connectivity package** that offers the ability to access all the connectivity features on mobile
- **2 Type of Package to Full Self-Driving Capability** Subscriptions:
 - **Basic** Autopilot to FSD capability with a price of \$199.00 per month
 - **Enhanced** Autopilot to FSD capability with a price of \$99.00 per month



PAY PER USE

- Possibility to switch to a **Pay per Use Subscription** in case of the KM performed with the car exceed the ones included in the Monthly Fare: 1,000 miles per month (to be calculated at the end of the subscription period)
- Possibility to activate of a **usage subscription** for **charging electric vehicles**. Tesla Supercharger charges **per minute** or **per kWh**



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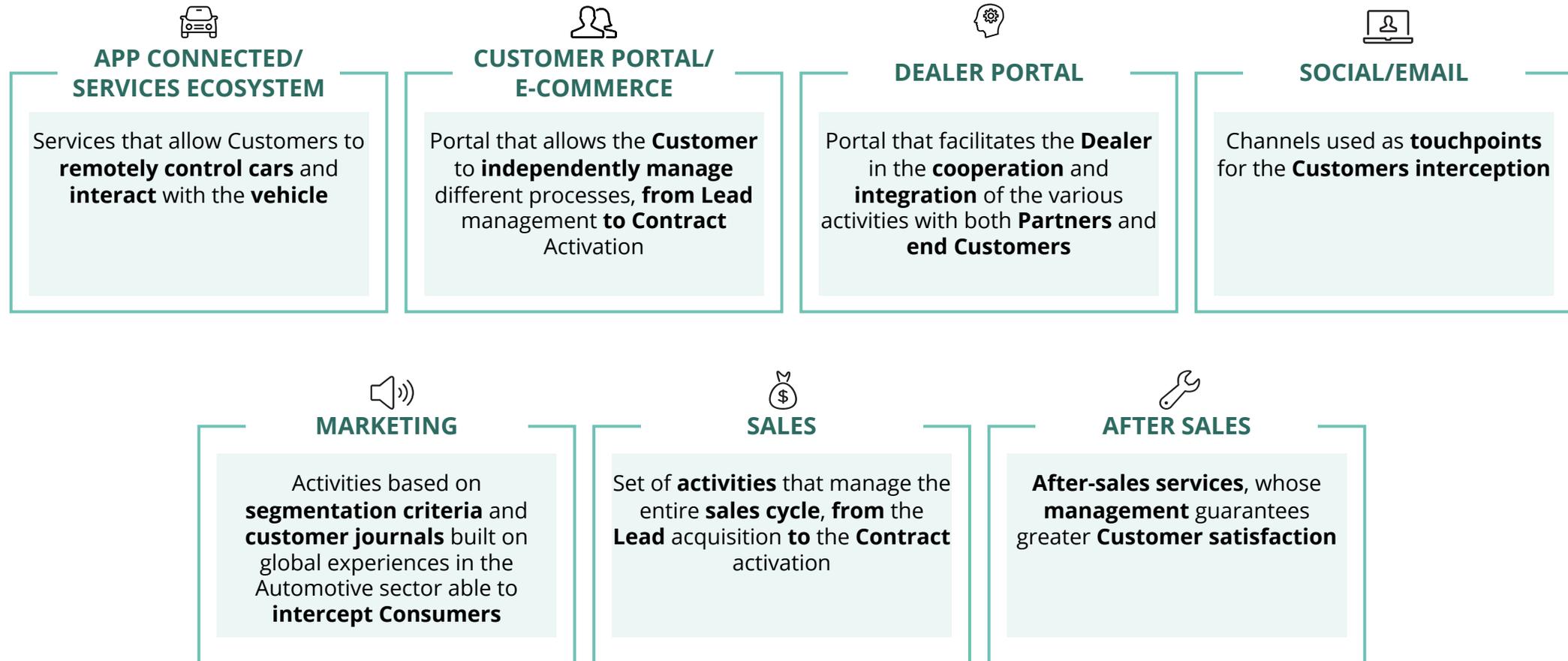
Automotive
Capability Map



Automotive ecosystem | Macro Functional Areas

7 macro functional areas we have identified within the Automotive ecosystem

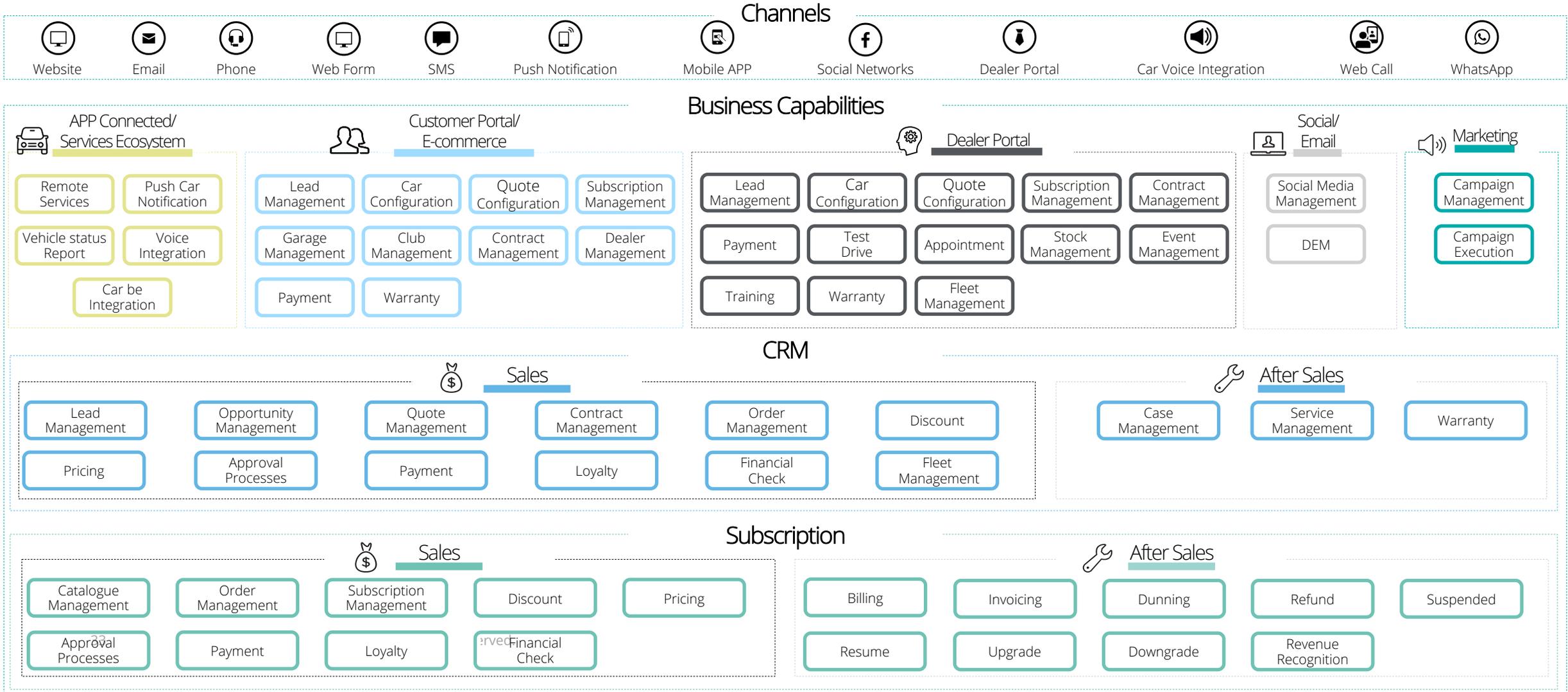
7 MACRO FUNCTIONAL AREAS IDENTIFIED





Capabilities map

Different sets of Capabilities, through multiple channels, are implementable within the Automotive for OEMs as well as for Dealers





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Subscription Use Cases



Automotive Subscription Use Case (1/3)

Use case classified according to Subscription Models and Target

USE CASE	DESCRIPTION	SEGMENT		SUBSCRIPTION MODELS				
		B2C	B2B	FIXED PACKAGE	CURATED BOX	MEMBERSHIP	PAY PER USE	FINANCIAL PLANNING & IOT
Smart Mobility	Payment of a fee to have the possibility to use a car according to packages							
Connected Car Services	Customer accessing the Personal Area or by APP can subscribe to a monthly/annual fee to add such services							
Motor trip	Subscription to a package for a Motor Trip							
Motorcycle accessories rent	Payment of a fee to rent one or more motorcycle accessories							
Bike Mobility	Payment of a fee to have the possibility to use an e-bike							
Riding courses	Payment of a fee to have access to riding courses							
Car sharing	Customer can activate a subscription to rent a car for short time and pay based on minutes of use							
Electric vehicles charge	Give Consumer the possibility to pay a monthly fee to recharge their electric car							

FOUR / TWO WHEEL MOBILITY



Automotive Subscription Use Case (2/3)

Use case classified according to Subscription Models and Target

	USE CASE	DESCRIPTION	SEGMENT		SUBSCRIPTION MODELS				
			B2C	B2B	FIXED PACKAGE	CURATED BOX	MEMBERSHIP	PAY PER USE	FINANCING & IOT
POST-SALES SERVICES PROFESSIONAL SERVICES	Maintenance Services	Subscription to recurrent / special maintenance package							
	Smart Road Assistance	Payment of an Annual fee to have access a premium road assistance							
	Warranty and Insurance	Payment of annual fee to have a package of services composed by a Company Warranty Extension and / or a discount of Insurance							
	Dealer Portal	The Dealer to have access to the Portal pays a subscription							
	Dealer Website	In order to use the website of his Partners and all brand content (e.g., product page, videos, etc.) the Dealer can subscribe an annual fee							
	Dealer Training	Subscription to a Training Platform for Dealer							
	Partners' Events	Payment of an Annual fee to have priority access and discount to Partners Official Events							



Automotive Subscription Use Case (3/3)

Use case classified according to Subscription Models and Target

USE CASE	DESCRIPTION	SEGMENT		SUBSCRIPTION MODELS				
		B2C	B2B	FIXED PACKAGE	CURATED BOX	MEMBERSHIP	PAY PER USE	PLANISHMENT & IOT
Podcast	Subscription to dedicated podcast content to listen while riding the company							
Curated Box	Subscription to a monthly / bi-monthly box with Company merchandising, magazines, museum tour, etc.							
Paid Loyalty	Customers can decide to activate a subscription to have premium access to certain services							
Official Club	Subscription for DOC to have access to Company Platform with dedicated contents / premium services for associates							
Newsletter	Subscription to Company Newsletter with a monthly fee to have access to special contents and premium services / discounts							

20 Uses cases defined

FOUR/TWO WHEEL MOBILITY



Smart Mobility

Subscription Models:

- FIXED PACKAGE
- PAY PER USE

Actors involved

Customer

Activities

Awareness

Customer is intrigued by a marketing campaign of a car company that sponsors the activation of a subscription that allows him to take advantage of a series of services by paying a monthly fee

APP Download

Customer decides to download the APP to understand how to activate their subscription independently

Subscription activation

The Customer decides to activate the subscription and pay the annual fee to have the possibility to use a car according to packages with different length / product available / km available

Subscription update

Customer in their Private Area can update subscription by adding/removing services or amending contractual terms and conditions

Customer Feeling



Enabled Business Capabilities

Campaign Management

Opportunity Management

Subscription Activation

Subscription Upgrade/Downgrade
Subscription Amendment

FOUR/TWO WHEEL MOBILITY



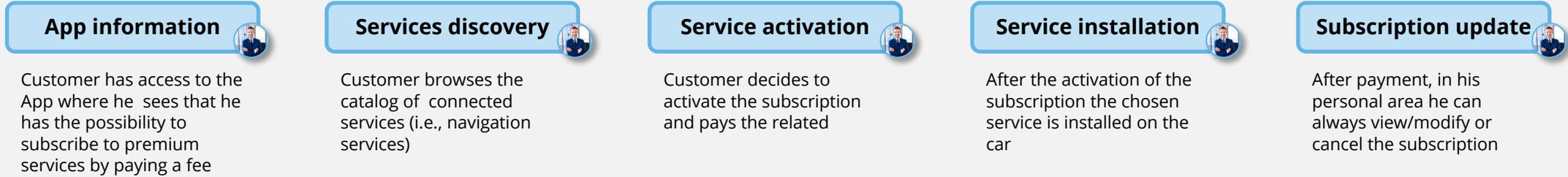
Subscription Models:  REPLISHMENT & IOT

Connected Car Services

 Actors involved

 **Customer**

 Activities



 Customer Feeling



 Enabled Business Capabilities



FOUR/TWO WHEEL MOBILITY



Subscription Models: FIXED PACKAGE

Motor trip

Actors involved



Activities

Awareness



After a Customer buys his first motorcycle, he receives an e-mail with the possibility of signing up for a program in which he can go on a motoring trip with other enthusiasts

Bundles discovery



The client enters on the site and browses the available services, viewing in detail all the packages information, that can vary according to the itinerary, motorcycle type, services included

Subscription activation



The Customer chooses the bundle that best suits his needs, visualizes the monthly fee, and performs the payment

Subscription information



After payment, the Customer can view/update his subscription in his dedicated portal

Subscription renewal



The subscription renews automatically, and the Customer can always decide to upgrade or cancel it

Customer Feeling



Enabled Business Capabilities

Email notification

Catalog Management

Subscription Management

Price Management

Subscription Information

Subscription Update

Renewal Management

FOUR/TWO WHEEL MOBILITY



Subscription Models: FIXED PACKAGE

Motor Accessories rent

Actors involved



Customer



Dealer

Activities

Awareness

The Customer receives a newsletter explaining that, in addition to his smart mobility subscription, he has the possibility to subscribe to a program that allows him to rent motorcycle accessories

Bundles discovery

The Customer decides to rent a motorcycle outfit and browses the available packages

Subscription activation

The Customer finds the subscription that best suits his needs, activates the subscription, and pays

Products pick-up

After activating the subscription, the customer can go to the selected dealer to pick up the motorcycle suit

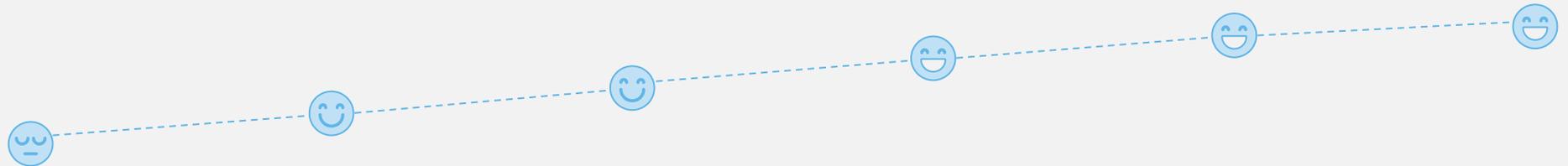
Subscription management

The subscription is automatically renewed and through his personal area the Customer can always view or modify the subscription or cancel it

Cancellation

If the Customer decides to cancel the subscription through his personal area can see the conditions for returning the products and the related dealer

Customer Feeling



Enabled Business Capabilities

Email notification

Catalog Management

Subscription Management

Price Management

Logistic Management

Subscription Information

Subscription Update

Renewal Management

Cancellation Management

FOUR/TWO WHEEL MOBILITY



Bike Mobility

Subscription Models:

- FIXED PACKAGE
- PAY PER USE

Actors involved

Customer

Activities

Awareness

The Customer browses the website and sees the possibility to subscribe to a smart mobility program that allows him to use his new and favorite e-Bike by paying a monthly fee

Subscription configuration

The Customer selects the desired e-Bike, the subscription duration and VAS. Then he can see the monthly fee to pay for the configuration

Subscription activation

The Customer activates the subscription and pays. Then he received his e-Bike

Subscription management

The subscription renews automatically, and the customer can always view and modify the subscription via his personal area

Cancellation

If the Customer decides to cancel the subscription through his personal area can see steps to perform to return the e-Bike

Customer Feeling



Enabled Business Capabilities

E-Commerce / Website

Catalog Management

Subscription Management
Price Management

Subscription Information
Subscription Update
Renewal Management

Cancellation Management

FOUR/TWO WHEEL MOBILITY



Subscription Models: FIXED PACKAGE

Riding courses

Actors involved

Customer

Activities

Awareness

The Customer browses the website and sees the possibility to subscribe to a riding course program (administered by the headquarter)

Bundles discovery

The Customer logs on to the website and browses through the available bundles as well as the fee to pay for each level (kids, basic, expert)

Subscription activation

The Customer chooses the bundle that best suits his needs, visualizes the annual fee, and performs the payment

Subscription management

After payment, the Customer can view/update the subscription in his dedicated portal

Subscription renewal

The subscription renews automatically, and the Customer can always decide to upgrade or cancel it

Customer Feeling



Enabled Business Capabilities

E-Commerce / Website

Catalog Management

Subscription Management
Price Management

Subscription Information
Subscription Update

Cancellation Management

FOUR/TWO WHEEL MOBILITY



Subscription Models: PAY PER USE

Car Sharing

Actors involved



Activities

Awareness

The Customer is informed via a DEM that his favorite car brand gives him the possibility to activate a subscription allowing him to rent cars for short periods of time via a dedicated APP

Subscription configuration

The Customer downloads the APP and chooses a monthly subscription

Services discovery

The Customer uses the Company APP to check which vehicles he can be rented in his area

Subscription activation

The Customer chooses the vehicle and starts the rental

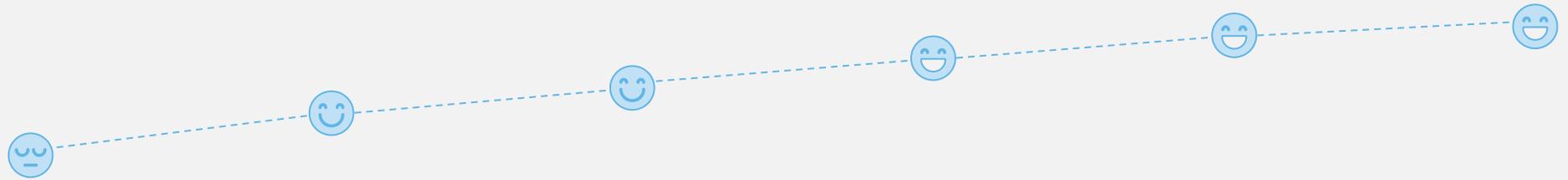
Subscription management

The Customer uses the car for the time needed and when he needs to end the rental, he goes his personal area when he can always view or modify the subscription or cancel it

Subscription renewal

At the end of the rental period, a rental fee based on the minutes of use of the alley will be charged to Customer payment method

Customer Feeling



Enabled Business Capabilities

E-Commerce / Website

App

Catalog Management

Subscription Activation

Fleet Management

Subscription Management

Price Management

FOUR/TWO WHEEL MOBILITY



Subscription Models: PAY PER USE

Electric vehicles charge

Actors involved

Customer

Activities

Awareness

The Customer has purchased his new electric vehicle and receives a notice informing him that he can use special charging stations to recharge the car

Services discovery

The Customer goes to the site of the provider of the recharge and displays the various subscription rates (e.g., monthly, six-monthly, annual subscription) and their usage limits

Subscription activation

The Customer activates the annual subscription and enables use of the charging stations in accordance with the limits of the chosen tariff

Subscription management

Should the Customer exceed the permitted recharges in his subscription package, he will pay on a pay-per-use basis

Subscription renewal

The Customer can always change (e.g., upgrade, downgrade)/terminate the subscription

Customer Feeling



Enabled Business Capabilities

DEM Management

Catalog Management

Price Management

Subscription Activation

Pay per use

Subscription Management

POST-SALES SERVICES



Subscription Models: FIXED PACKAGE

Maintenance Services

Actors involved



Customer



Dealer

Activities

Awareness



Once purchased his new car/motorcycle, the Customer receives an e-mail informing of the possibility to activate a Maintenance Service package that allows access to normal/special maintenance by paying an annual fee

Services discovery



The Customer is interested and decides to browse through the different service packages available (e.g., light, plus, premium)

Subscription activation



The Customer decides to activate the premium package and sees and pays the annual fee

Subscription update



In his personal area he can always update or decide not to renew his subscription

Service information



When the Customer needs Maintenance, he can always call the Dealer closest to him who will provide the service and does not have to pay any additional fee

Customer Feeling



Enabled Business Capabilities

Email Notification

Catalog Management

Subscription Management

Price Management

Subscription Information

Subscription Update

Customer Communication

POST-SALES SERVICES



Subscription Models: FIXED PACKAGE

Smart Road Assistance

Actors involved



Customer



Dealer



Activities

Awareness



24 months later their new motorcycle purchase (and their Assistance Card has expired) the Customer receives an email informing them that he can activate a Premium Motorized Roadside Assistance package

Services discovery



The Customer is interested and decides to browse through the different service packages available (e.g., silver, gold, platinum)

Subscription activation



The Customer decides to activate the gold package and sees and pays the annual fee

Subscription management



After payment, in his personal area he can always update or decide not to renew his subscription

Service information



In case of need for Roadside Assistance, the Customer can always call the nearest Dealer who will provide assistance



Customer Feeling



Enabled Business Capabilities

Email Notification

Catalog Management

Subscription Management

Price Management

Subscription Information

Subscription Update

Customer Communication

POST-SALES SERVICES



Subscription Models:  FIXED PACKAGE

Warranty and Insurance

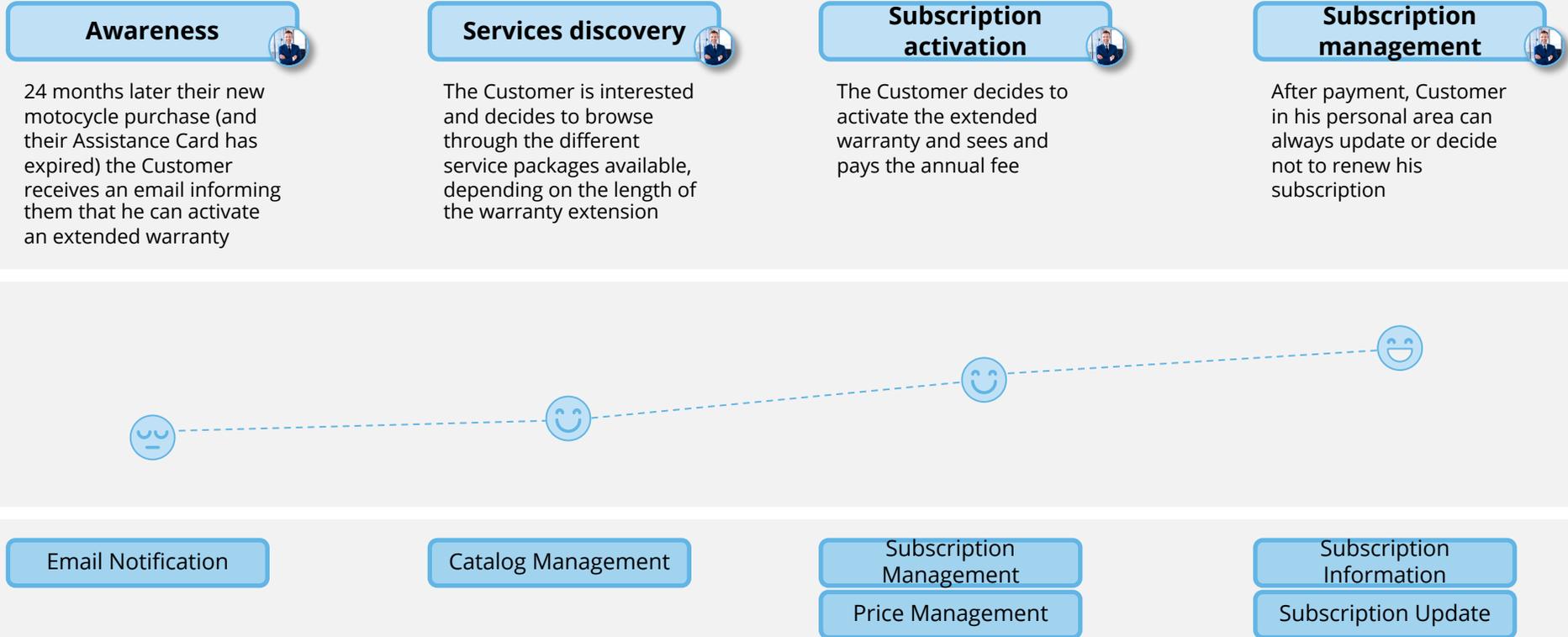
Actors involved



Activities

Customer Feeling

Enabled Business Capabilities



PROFESSIONAL SERVICES



Subscription Models:  FIXED PACKAGE

Dealer Portal

Actors involved



Activities

Awareness 

The Dealer in self-service mode accesses the Dealer Portal and navigates through the available service packages

Bundles discovery 

Once the necessary licenses packages have been checked, the Dealer selects how many geographical regions he is operating in

Subscription activation 

After selecting Services and Geography, the Dealer visualizes the annual fee to get access to the services. He performs the payment to activate the subscription

Subscription information 

The Dealer can always view/update his subscription in his dedicated portal

Subscription renewal 

After one year, the subscription is automatically renewed

Customer Feeling



Enabled Business Capabilities

Dealer Management

Service Management

Subscription Management

Price Management

Subscription Information

Subscription Update

Renewal Management

PROFESSIONAL SERVICES



Subscription Models:  FIXED PACKAGE

Dealer Website

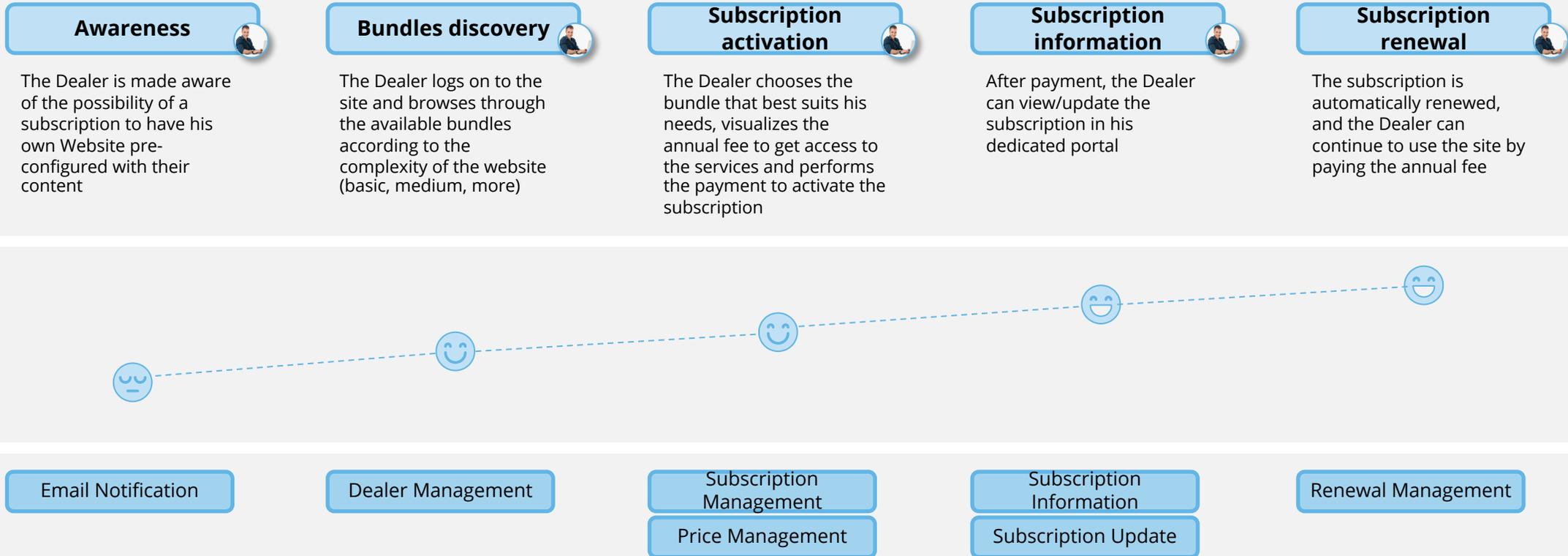
Actors involved



Activities

Customer Feeling

Enabled Business Capabilities



PROFESSIONAL SERVICES



Subscription Models:  FIXED PACKAGE

Dealer Training

Actors involved



Dealer / Professionals

Activities

Awareness



The Dealer browsing the websites notices the possibility to subscribe to a training platform

Content discovery



The Dealer sees the option of a basic subscription and a premium subscription (with access to more content)

Subscription activation



The Dealer decides to subscribe to the training platform and pays an annual fee

Subscription information



After payment, the Dealer will have all information about the plan available in the dedicated training portal

Subscription management



The subscription automatically renews, and the Dealer can always decide to upgrade / downgrade the subscription or cancel it

Customer Feeling



Enabled Business Capabilities

Order Management

Service Management

Subscription Management

Price Management

Subscription Information

Renewal Management

Cancellation Management

PROFESSIONAL SERVICES



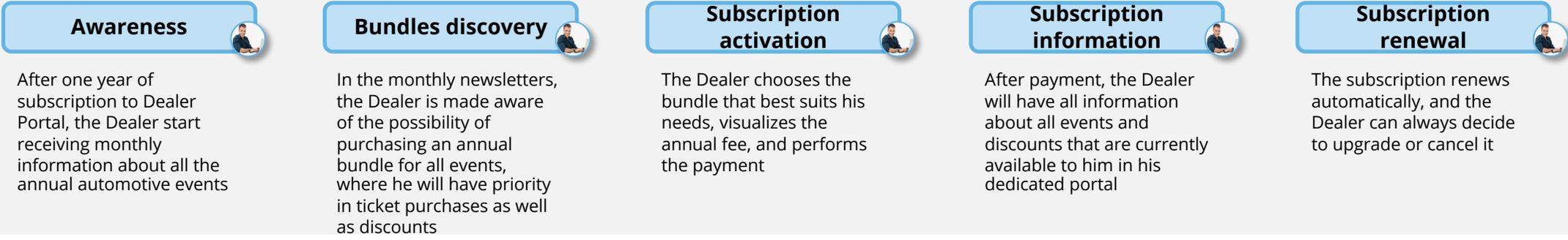
Subscription Models: FIXED PACKAGE

Partners' Events

Actors involved



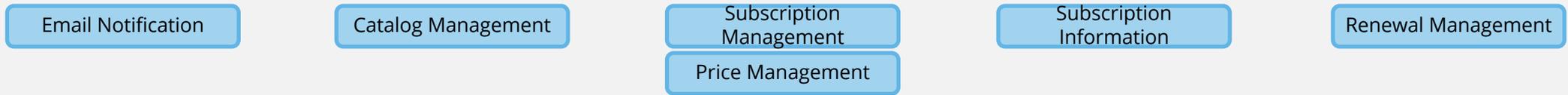
Activities



Customer Feeling



Enabled Business Capabilities



EXPERIENCE & DELIGHT



Subscription Models:  MEMBERSHIP

Podcast

 Actors involved

 **Customer**

 Activities

Awareness

The Customer browsing the website sees the possibility to subscribe to premium podcast content (like heritage, experiences, and expert opinions)

Content discovery

By logging into the services page, Customer can check all the plans in more detail and choose the service that best fits his needs

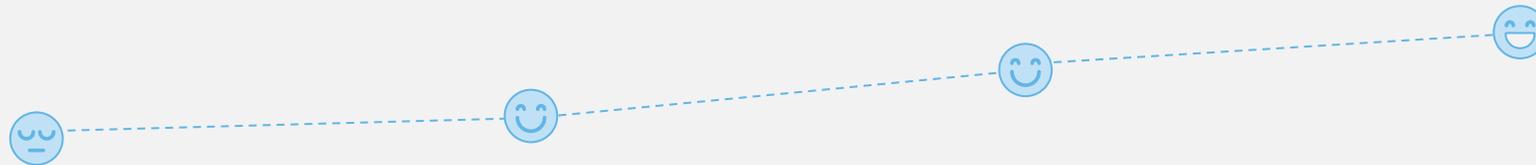
Subscription activation

The Customer decides to activate the subscription and pay the annual fee

Subscription update

The Customer can start benefiting of the podcast content and can decide to cancel the subscription or upgrade at any time

 Customer Feeling



 Enabled Business Capabilities

E-Commerce / Website

Catalog Management

Subscription Management
Price Management

Subscription Information
Subscription Update

EXPERIENCE & DELIGHT



Subscription Models:  CURATED BOX

Curated Box

Actors involved



Customer

Activities

Awareness



The Customer browses the website and sees the possibility to subscribe to a Curated Box that allows him to receive at a certain frequency a box with their merchandising and other special gifts

Bundles discovery



The Customer browses through the different types of Curated Box available in the subscription (e.g., small, medium, large) and sees the periodic fee he must pay

Subscription activation



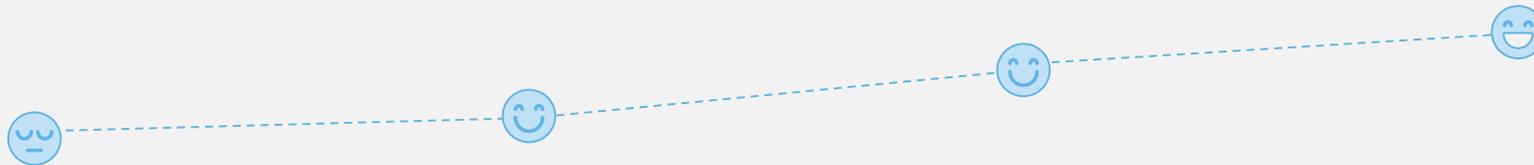
The Customer decides to activate the subscription. After the payment he will receive at home his box with a delicate curation

Subscription update



The Customer can always decide to upgrade/downgrade his subscription or to cancel it

Customer Feeling



Enabled Business Capabilities

E-Commerce / Website

Catalog Management

Subscription Management

Price Management

Subscription Information

Subscription Update

EXPERIENCE & DELIGHT



Subscription Models:  MEMBERSHIP

Paid Loyalty

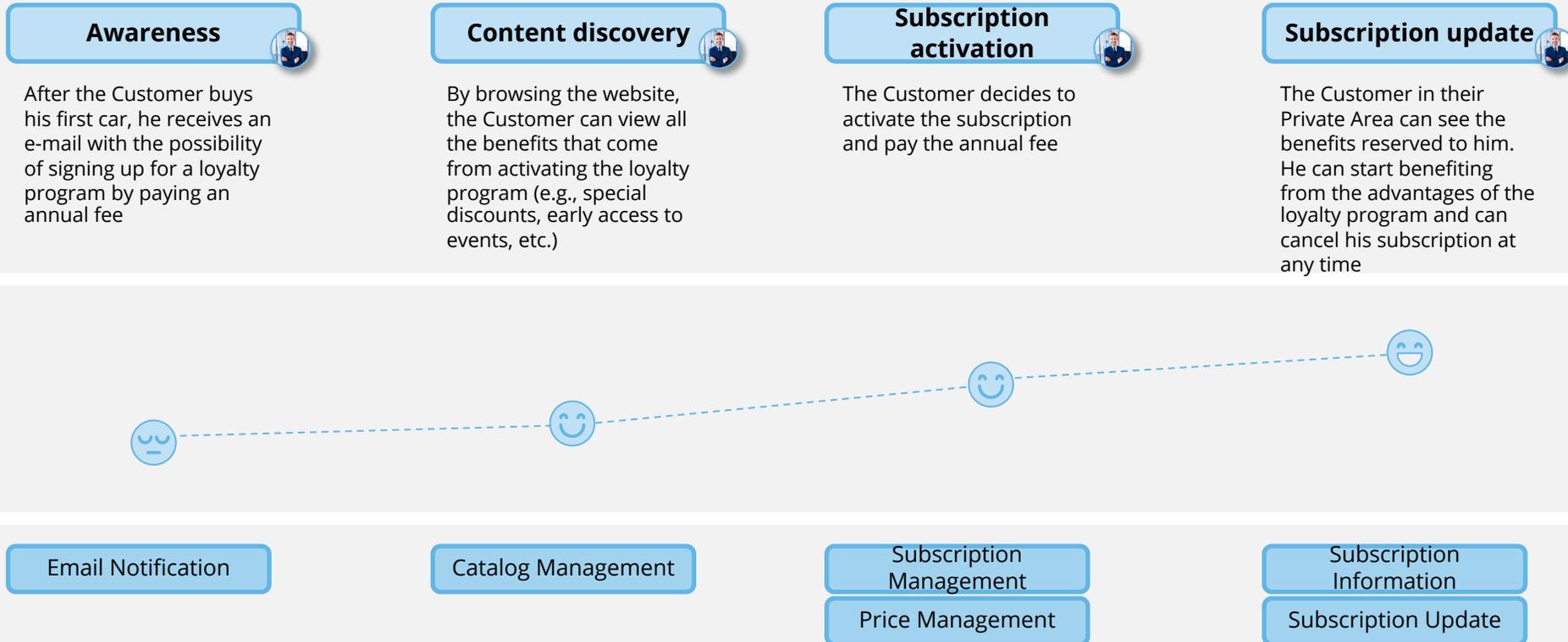
Actors involved



Activities

Customer Feeling

Enabled Business Capabilities



EXPERIENCE & DELIGHT



Subscription Models:  MEMBERSHIP

Official Club

 Actors involved

 **Customer**

 Activities

Awareness

The Customer is made aware of the possibility of subscribing to a program that gives access to the Club Platform with dedicated content and premium services for members

Bundles discovery

The Customer logs in to the Club website and browses through the available bundles viewing in detail all the information, benefits and related prices

Subscription activation

The Customer chooses the bundle that best suits his needs, visualizes the annual fee, and performs the payment

Subscription information

After payment, the Customer can view/update the subscription in his dedicated portal

Subscription renewal

The subscription renews automatically, and the Customer can always decide to upgrade or cancel it

 Customer Feeling



 Enabled Business Capabilities

Email Notification

Catalog Management

Subscription Management

Price Management

Subscription Information

Subscription Update

Customer Communication

EXPERIENCE & DELIGHT



Subscription Models:  MEMBERSHIP

Newsletter

Actors involved



Customer



Activities

Awareness



The Customer is made aware of the possibility of upgrading to a premium newsletter that gives access to special content

Content discovery



The Customer enters the website and navigates through the available services visualizing in detail all the information, benefits, prices and discounts that are available to him

Subscription activation



The Customer chooses the bundle that best suits his needs, visualizes the monthly fee and performs the payment

Subscription information



After payment, the Customer can view/update the subscription in his dedicated portal

Subscription renewal



The subscription renews automatically, and the Customer can always decide to upgrade or cancel it



Customer Feeling



Enabled Business Capabilities

Email Notification

Catalog Management

Subscription Management

Price Management

Subscription Information

Subscription Update

Renewal Management



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Business KPIs

Definition of Automotive KPI

Related to the subscription business we have identified two types of KPIs: Cross Industry KPI and Automotive KPI

CROSS INDUSTRY KPI



Sales Growth Rate



Customer Lifetime Value



Cross / up sell rates



Customer satisfaction score



Time to market



Cost of quality



Cost reduction for efficiency



Lead generation rate



Conversion rate



Customer retention rate



Conversion time



Closed opportunity %



Avg Customer acquisition cost



Churn rate



Customer base (CB)



Customer base net growth (CBN)



Acquisition rate (AR)



Churn rate (CR)



Cost of acquisition per new customer



Customer lifetime value (CLV)



of subscriptions



ARR/ MRR

AUTOMOTIVE KPI



Percentage of trade-in



Volume per typology (SUV/compact...)



Number of test drive per dealer



Percentage of test drive



Avg. amount in deal per dealer



Vehicle part variable margin



New vehicles paired per month



Notifications nets per vehicle per month



Requests of remote assistance per month



Vehicles per customer



Number of extended warranty on total amount of clients

Cross Industry KPI (1/3)

We have identified 22 main cross industry KPI

KPI	DESCRIPTION
 SALES GROWTH RATE	Monthly sales growth expressed with respect to previous months
 CUSTOMER LIFETIME VALUE	The revenue one customer has given your business and will continue to contribute
 CROSS / UP SELL RATES	Revenue obtained from cross-sell or upsells
 CUSTOMER SATISFACTION SCORE	Measurement of customer satisfaction level through a one-question survey
 TIME TO MARKET	Measure the time required to move a product or service from conception to market (until it is available to be purchased)
 COST OF QUALITY	Measures both perceived and actual value to your products and how they meet customer expectations
 COST REDUCTION FOR EFFICIENCY	Measures the savings that were achieved by the introduction of new tools and processes
 LEAD GENERATION RATE	Percentage of visitors captured as leads

Cross Industry KPI (2/3)

We have identified 22 main cross industry KPI

KPI	DESCRIPTION
 CONVERSION RATE	Percentage of lead visitors who completed a conversion to customer
 CUSTOMER RETENTION RATE	What percentage of customers you are keeping vs what percentage you are losing
 CONVERSION TIME	Average time needed to convert a lead into an opportunity
 CLOSED OPPORTUNITY %	Increase in percentage of opportunities converted to sales
 AVG CUSTOMER ACQUISITION COST	The total cost of acquiring a customer (includes costs spent on the sales process and through marketing efforts)
 CHURN RATE	Rate at which customers stop doing business with a Company
 CUSTOMER BASE (CB)	Number of active subscriptions
 CUSTOMER BASE NET GROWTH (CBN)	Number of New Subscribers over the existing subscribers

Cross Industry KPI (3/3)

We have identified 22 main cross industry KPI

KPI	DESCRIPTION
 ACQUISITION RATE (AR)	Number of New Subscribers over the existing subscribers
 CHURN RATE (CR)	Annual percentage rate at which customers stop subscribing
 COST OF ACQUISITION * NEW CUSTOMER	Cost of acquiring one single new customer
 CUSTOMER LIFETIME VALUE (CLV)	Prediction of the net profit attributed to the entire future relationship with a customer
 # OF SUBSCRIPTIONS	Percentage of subscriptions with respect to the total number of clients
 ARR/ MRR	Quantification of a company's growth, evaluating its subscription model, and forecasting its revenue annually / monthly

Automotive KPI (1/2)

We have identified 11 main automotive KPI

KPI	DESCRIPTION
 PERCENTAGE OF TRADE-IN	Percentage of trade-in vehicles with respect to the total amount of vehicles sold
 VOLUME PER TYPOLOGY	Percentage of a single product typology with respect to the total amount of products
 NUMBER OF TEST DRIVE PER DEALER	How many test drive are done per dealer
 PERCENTAGE OF TEST DRIVE	How many vehicles are bought after a test drive with respect to the total number of test drive
 AVG. AMOUNT IN DEAL PER DEALER	Average deal values per dealer
 VEHICLE PART VARIABLE MARGIN	Variable margin obtained from each component
 NEW VEHICLES PAIRED PER MONTH	How many vehicles are connected to car connected services every month
 NOTIFICATIONS NETS PER VEHICLE PER MONTH	How many notification are sent to the owner from a single vehicles every month

Automotive KPI (2/2)

We have identified 11 main automotive KPI

KPI	DESCRIPTION
 REQUESTS OF REMOTE ASSISTANCE PER MONTH	How many requests of remote assistance are registered each month
 VEHICLES PER CUSTOMER	Average number of vehicles owned by a single customer
 NUMBER OF EXTENDED WARRANTY ON TOTAL AMOUNT OF CLIENTS	How many extended warranty are done with respect to the total amount of clients

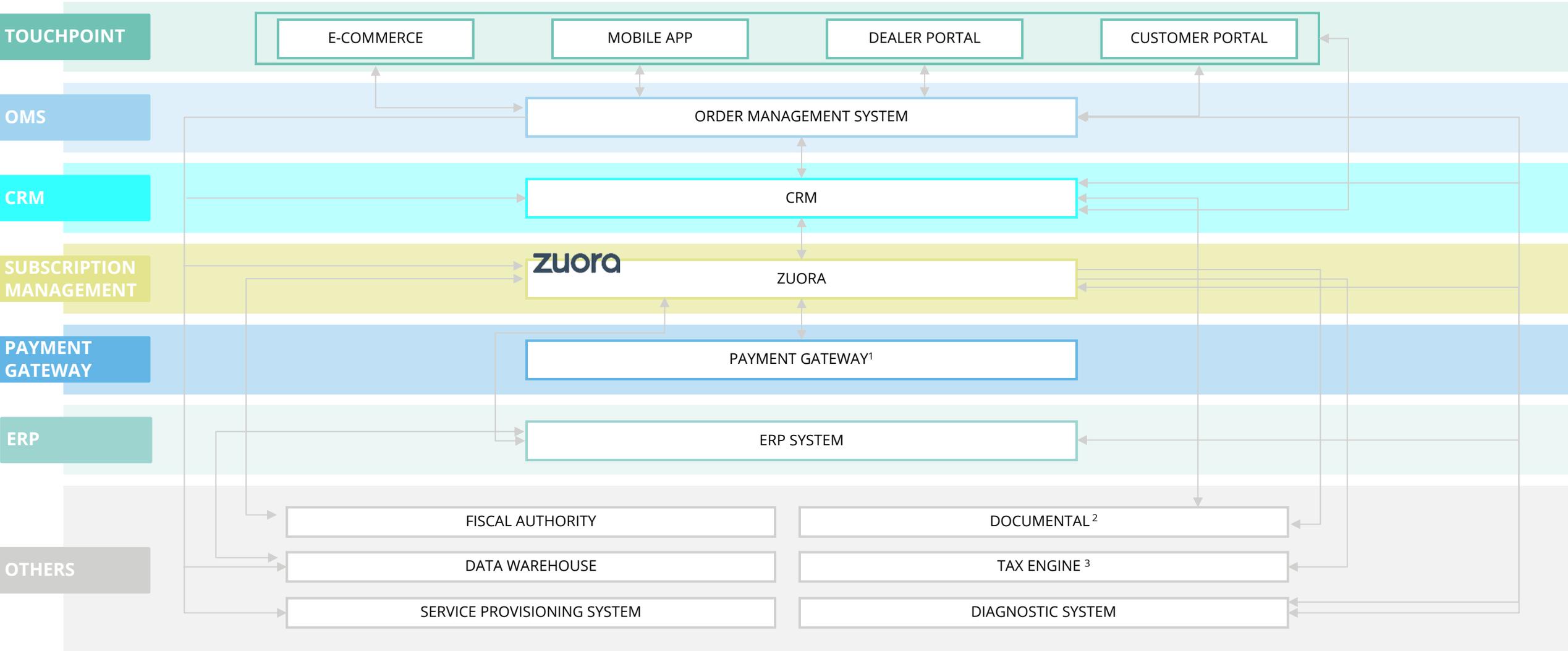


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High level
Architecture



High-level IT Architecture to build a subscription model

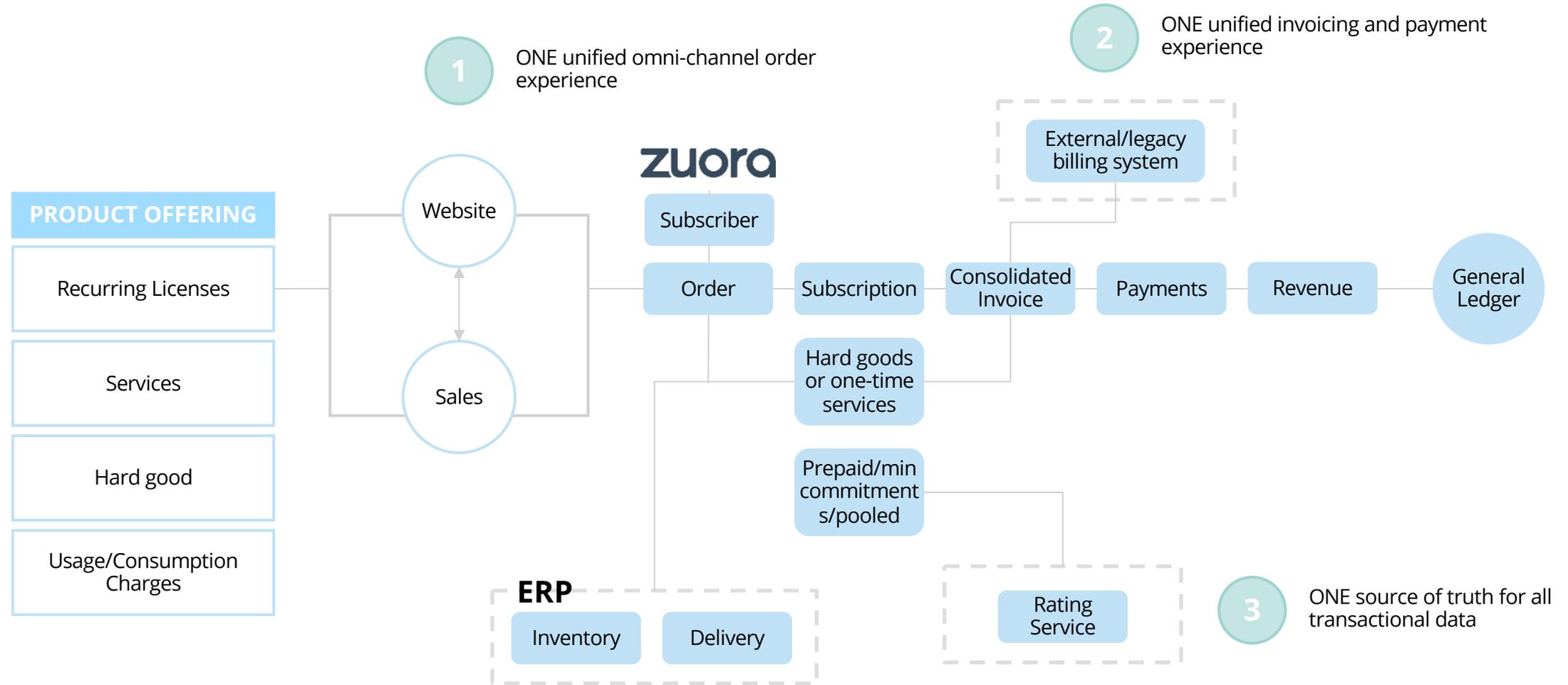


- 1) Zuora integrates by standard 35 Payment Gateways
- 2) Zuora provides a standard template for the document generation (Invoice, Credit/Debit Memo)
- 3) Integration with Tax Engine is required in the case of complex tax regimes such as the US and Brazil



IT Architecture to build a subscription model | Zuora focus

Zuora Solution to Unify Customer Experiences with a Quote-to-Revenue Data Model





Automotive
Engagement Platform

Automotive Engagement Platform (AEP)

The AEP as part of the ASG Deloitte Asset brings to life our industry experience in automotive industry driving transformation, focusing on improving the customer engagement, the dealer experience & the OEM steering along customers end-to-end journeys supported by Salesforce Automotive Cloud and Zuora technologies



FEATURES

Marketing automation

Omnichannel Campaign definition, creation, execution & end to end monitoring, leveraging on segmentation criteria & customer journeys (from brand awareness, to maintenance plan reminders) built on global experiences in the Automotive sector.

Sales

Cross-channel automatic **lead generation, qualification, scoring & assignment** to key stakeholder to start a customized and exceptional purchase experience both offline and online also through a **subscription models**.

Dealer opportunity management considering car configurations, quotes, financing options and contracts.

After Sales

Multichannel automatic complaint & service request creation & improved assignment criteria based on chatbot & AI for a better case & service management and a higher customer satisfaction (including activities such as upselling, cross selling and subscriptions).

Customer Portal

Customer autonomous management through the community simplifying several processes, requests & way of interaction with the entire OEM world from HQ to dealers. Sales and car delivery updates, case management, personal preferences and consent management.

Dealer Ecosystem

Enhanced **cooperation, information sharing** and **integration** with dealers to bring more and more value to the final customer, enabling a consistent and unique customer experience from distributed marketing to stock management.

Connected Car

Telematics management allowing customers to **remotely control** car and **interact** with the vehicle with exchanging information with OEM to constantly improve **customer experience** leveraging on data (i.e. plan a maintenance based on actual car kilometres)

BENEFITS



Improve awareness: bring new customers to dealers and engage exiting clients



Improve dealer experience through an integrated dealer CRM



More Engagement with leads with the highest chance to close a deal leveraging on a 360° Customer view.



Improve After-Sales Customer Service through digital channels



Customers are able to finalize their purchase through digital channels without coming into contact with the dealer



Improve OEM and NSC monitoring on customer vehicles and opportunities information

FUTURE ENHANCEMENTS

01

Developing of new products and services **subscription** use cases

02

Captive finance Use Cases

03

Fleet management through **B2B Commerce** capabilities



DEMOS on Selected Use Cases

Automotive Subscription Use Case (1/3)

Use case classified according to Subscription Models and Target

USE CASE	DESCRIPTION	SEGMENT		SUBSCRIPTION MODELS				
		B2C	B2B	FIXED PACKAGE	CURATED BOX	MEMBERSHIP	PAY PER USE	PLANISHMENT & IOT
Smart Mobility	Payment of a fee to have the possibility to use a car according to packages	🟢	🟡	🟢	🟢	🟢	🟢	🟢
Connected Car Services	Customer accessing the Personal Area or by APP can subscribe to a monthly/annual fee to add such services	🟢	🟡	🟢	🟢	🟢	🟢	🟢
Motor trip	Subscription to a package for a Motor Trip	🟢	🟡	🟢	🟢	🟢	🟢	🟢
Motorcycle accessories rent	Payment of a fee to rent one or more motorcycle accessories	🟢	🟡	🟢	🟢	🟢	🟢	🟢
Bike Mobility	Payment of a fee to have the possibility to use an e-bike	🟢	🟡	🟢	🟢	🟢	🟢	🟢
Riding courses	Payment of a fee to have access to riding courses	🟢	🟡	🟢	🟢	🟢	🟢	🟢
Car sharing	Customer can activate a subscription to rent a car for short time and pay based on minutes of use	🟢	🟡	🟢	🟢	🟢	🟢	🟢
Electric vehicles charge	Give Consumer the possibility to pay a monthly fee to recharge their electric car	🟢	🟡	🟢	🟢	🟢	🟢	🟢
Partners' Events	Payment of an have priority at discount to Partners' Events	🟢	🟡	🟢	🟢	🟢	🟢	🟢
Paid Loyalty	Customers can decide to activate a subscription to have premium access to certain services	🟢	🟡	🟢	🟢	🟢	🟢	🟢
Official Club	Subscription for DOC to have access to Company Platform with dedicated contents / premium services for associates	🟢	🟡	🟢	🟢	🟢	🟢	🟢
Newsletter	Subscription to Company Newsletter with a monthly fee to have access to special contents and premium services / discounts	🟢	🟡	🟢	🟢	🟢	🟢	🟢

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20 Uses cases defined

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- We are working on a **DEMO** for **each** previously described **Use Case**
- Currently the DEMO for the “**Smart Mobility**” Use Case is **already available**
- To have **more information** about:
 - **AEP**, you can refer to:
 - Mario Panzeri (mpanzeri@deloitte.it)
 - Rachele Biasi (rbiasi@deloitte.it)
 - Gianmarco Barberio (gbarberio@deloitte.it)
 - **Subscription demos in AEP**, you can refer to:
 - Rachele Biasi (rbiasi@deloitte.it)
 - Costantino Casaburi (ccasaburi@deloitte.it)
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About Zuora & Deloitte Digital



Zuora provides a leading monetization platform for recurring revenue businesses across all industries, enabling companies to unlock customer-centric business models. After starting with Zuora Billing in 2007, Zuora's award-winning multi-product portfolio now includes Zuora Revenue, Zuora Collect, and Zephr, a Zuora Company. Zuora serves as an intelligent hub that monetizes and orchestrates the complete quote to cash and revenue recognition process at scale. Through its industry leading technology and expertise, Zuora helps more than 1,000 companies around the world, including BMC Software, Box, Caterpillar, General Motors, Penske Media Corporation, Schneider Electric, Siemens and Zoom nurture and monetize direct, digital customer relationships. Headquartered in Silicon Valley, Zuora operates offices around the world in the U.S., EMEA and APAC. To learn more about the Zuora monetization platform, please visit www.zuora.com.

More at www.zuora.com



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Specifically, our Consumer practice is collaborating with our clients and alliance relationships to reach a deeper understanding of consumer industry trends and the values and demands of the customer. Our purpose is to help the world's most forward-thinking consumer companies fuse profit with purpose, become better corporate citizens, ardent advocates for a stronger planet, and forge more meaningful relationships with their customers, employees, and communities.

More at www.deloittedigital.com

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