

# CAR SUBSCRIPTION

A new business opportunity for OEMs?





# TABLE OF CONTENTS

Management summary	03
Understanding car subscription	05
Understanding customer needs	07
Understanding the market	10
Managing the business	14
Getting Started: Key factors	19
Why Capgemini Invent?	20

# 1 MANAGEMENT SUMMARY

## The car subscription market at a glance

During this decade, new car subscription offers were developed and seem to increasingly enjoy acceptance among customers. This White Paper discusses whether this new form of mobility concept may also pose an attractive business model for OEMs, as market intelligence indicates latter have already occasionally debuted in the market, if only for a brief period before exiting again.

From a legal perspective, car subscription must be viewed as a rental contract between 1 to 12 months.<sup>1</sup> It can (but does not have to) contain a vehicle exchange option (flip) during the contract term. Subscription is not subject to regulations and can therefore be offered by any unregulated legal entities unless the car rental business is regulated in some way in a specific country.

Based on market desk research for subscription models, relevant targets are increasingly looking for 1) individual mobility, which is neither public nor shared. Moreover, this mobility must be 2) always available for exclusive use and 3) should entail all components necessary for operation of the respective vehicle (full service/all-inclusive except refueling). Ideally, the range of available vehicles should also 4) offer the largest variety attainable (different brands/models/powertrains). The target group has high purchasing power and tends towards shorter contract periods without favoring frequent vehicle flips.

Today's car subscription market is subject to constant growth but also change. Thus, car subscription providers must be able to adapt to rapidly shifting market environments. Quantitatively dominated by 3rd party providers, leading European based OEMs are rather timidly experimenting in this field until now. However, we expect the market to consolidate and fluctuate further. To run our analysis, we arrange the market around two major determinants: purchasing motives

and personalization level. This segmentation leads us to four subscription archetypes: 1) PREDEFINED, 2) CURATED, 3) ACCESS and 4) SURPRISE, which we subsequently describe in more detail.

## What's in for me? Market entry motivations

In this White Paper we find that car subscription is an interesting market niche to investigate further since it offers the following opportunities: Firstly, OEMs may be able to engage a different audience and attract customers willing to try a new model, brand, or powertrain through the inclusive means of a short-termed subscription service. This then includes the subsequent opportunity to permanently bind a new customer to the brand (from conquest to loyalization). Secondly, a car subscription model provides a natural vent to market-friendly utilize excess vehicle stock without damaging the brand image or residual values. Moreover, the service may prove a profitable business itself, broadening the product portfolio with a clear focus on high margins/high yield customers and recurring revenue streams. Lastly, we conclude, that creating a low-threshold (from OEM perspective) service offering could be the sweet-spot to pilot new sales models (e.g., direct sales or agency sales) and gather intelligence on the latter swiftly, which can be used to approach customers even better in the future.

## The aces up your sleeves – How to make it in car subscription

In the last 100 years, a similar business model has been established worldwide in the automotive business, which encompasses the design, development, production (here in the two variants Build-to-Order and Build-to-Stock), sale and financing of vehicles. In the majority of cases, a three-tier-sales system was set up for private customers (1st sales tier: from OEM to wholesale; 2nd sales tier: from

<sup>1</sup> Capgemini is legally prohibited from offering any tax or legal advice. If you have any tax or legal related questions, please contact your tax or legal advisor.

wholesale to retail; 3rd sales tier: from retail to the end customers).

Due to the successful market entry of new players (especially Tesla), the industry is facing an unprecedented upheaval. New electric or hybrid powertrain concepts and new sales systems pose challenges for the established players of the industry. However, these changes can also result in opportunities to put the business model on a new basis in order to continue to be successful in the future. Offers such as car subscription can be a tessera in this mosaic of the future.

As with any other business model, the purpose and goal of a car subscription service for the business must be clearly defined. Based on this, the business model must be described clearly, comprehensively, and consistently. The established and proven method of the Business Model Canvas (BMC) is suitable for this endeavor. For the specific purposes of this White Paper, we will slightly extend the BMC to include the legal aspects of the business model. Lastly, once operations are up and running, setting up the right monitoring and making informed business decisions can make a difference between being just another market player or becoming a differentiator in the market.

We were able to identify four areas as key success factors: (1) the creation of a suitable customer offer at attractive and profitable price, (2) the ability to use an existing fleet for a number of mobility services such as ultra-short term to short-term to long-term rentals, (3) fully digitalized processes supported by one unified (digital) platform for all products and customer groups and (4) the successful management of the fleet and related costs. This White Paper is aimed at OEMs and their Captives who want to deal with the topic of car subscriptions. It is intended to provide an

initial overview of the topic. We have taken up aspects, such as detailed customer and product analysis, selected key elements of the subscription business and deepened them using a use case of a matured market participant. However, this White Paper does not represent a comprehensive and immediately implementable concept. Rather it provides strategic thought-provoking impulses to deep dive into the subject. We from Capgemini would be happy to clarify any open questions with you in person. You find the contact details of the contact persons on the last page.

### **Playing your cards right – Partnering up with Capgemini Invent**

When implementing a car subscription model, it is good to know having with Capgemini the right partner at your side, who, based on our extensive project experience in this area, can help to set the right emphasis on success critical area for successful implementation and to avoid the biggest pitfalls. With this White Paper, we from Capgemini Invent want to demonstrate that we:

- ... are the thought leader in car subscription and bring in comprehensive insights,
- ... cater systemic best practices through experience gathered in cross industry engagements,
- ... are an end-to-end partner from business concept to IT-implementation with experts in every area on the way,
- ... deliver an in-depth understanding of all relevant OEM processes and systems.

If you think car subscription may be the way forward for your company, do not hesitate and get in touch with us to discuss how we can jointly make your new business area a success.

# 2 UNDERSTANDING CAR SUBSCRIPTION

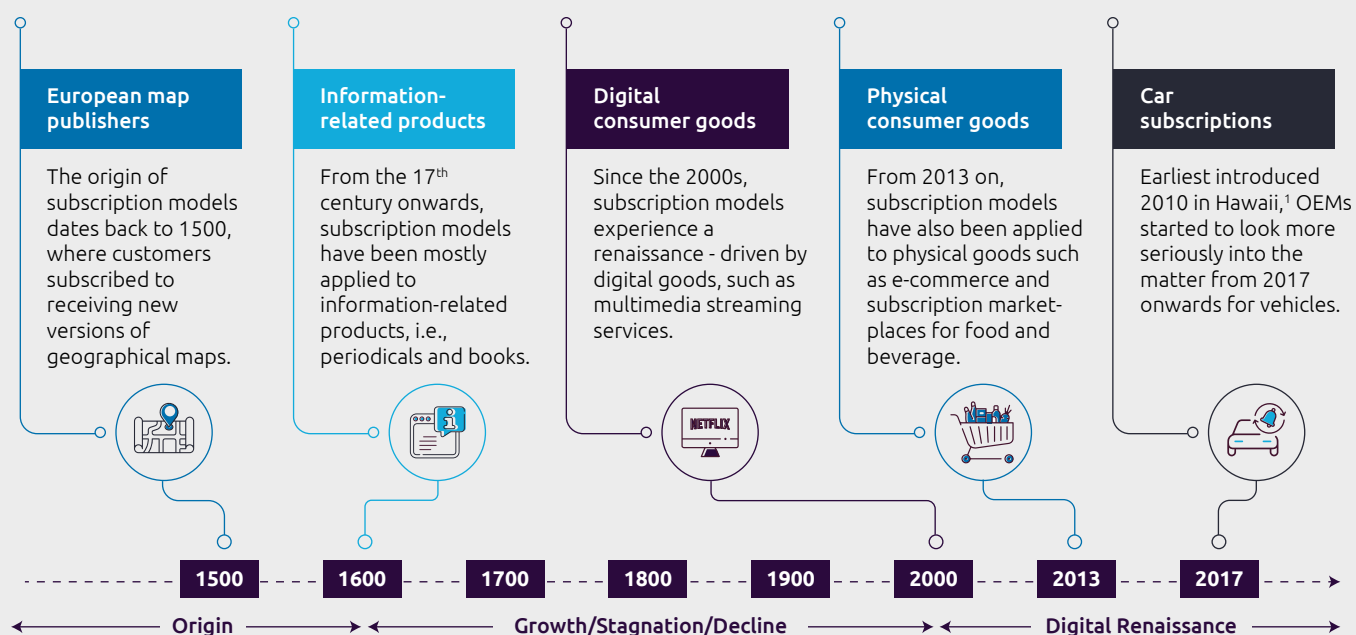
Changed consumer behavior regarding mobility, safety and individuality are creating the need for new mobility solutions such as the car subscription. Both new and established mobility providers fill a new market niche by meeting this demand with tailored service offerings.

## Subscription is entering the world of mobility and gains momentum in 2022

As illustrated in Figure 1, subscription is not a new phenomenon. After a decline, the subscription sales model became apparent at the end of the 20th century.

It is now experiencing a renaissance as part of the digital revolution in the early 2000s. Recently, however, corresponding offers have also spilled over into the world of physical consumer goods. Amongst investors and consumers, the popularity of these new subscription offerings is increasing. Additionally, we recognize that the world is changing dynamically and that it is (also) becoming more and more differentiated in the area of mobility. New mobility offers (e.g., car sharing, eScooter) are emerging including a variety offering around of car subscription.

**Figure 1** A brief history of subscription, based on Janzer, Anne: Subscription Marketing: Strategies for Nurturing Customers in a World of Churn, 3<sup>rd</sup> ed., San Luis Obispo: Cuesta Park Consulting, 2020



## Car subscription aims to fill the gap created by changed consumer behavior

Many consumers have already encountered subscriptions in other areas. The rise of car subscriptions is driven by a fundamentally changed consumer behavior: Consumers today expect more convenience in utilizing a vehicle. This, and the emergence of new mobility offers by (new) market players are reasons enough for OEMs to deal with the topic of "car subscription".

The central question for OEMs is whether they want to enter this market niche. In doing so, superordinated strategic considerations as well as economic aspects must be included. In addition, the preconditions and critical success factors for entering the market must be examined.

## Legal classification of subscription: comparison between leasing and rental contracts

Our definition of car subscription builds upon the differentiated analysis of leasing and rental offers regarding

several aspects. The period of a rental contract ranges from one day to a few months, up to 12 months. In contrast, a car leasing contract usually lasts between two and four years. The distribution of rights and duties, as well as risks and liabilities represent significant differences between the two contract types leasing and renting. In a lease contract, the lessee is responsible for many of the obligations appearing in a rental contract, for instance, bearing the costs for insurance and liability for wear and tear of the leased item. With respect to liabilities in a rental contract, the tenant is only liable for self-inflicted damages to the rented item. There is no uniform and generally accepted definition of car subscription or leasing. Service providers use the terms for a variety of offers (regardless of their legal or tax classification). From a tax perspective, the German equipment leasing decree refers to leasing when the basic rental period corresponds to at least 40% and a maximum of 90% of the normal operating life, which is in Germany for cars six years (for trucks nine years) (cf. figure 2).

**Figure 2** Subscription in contrast to leasing and rental contracts

	Contractual terms - Leasing			Contractual terms - Rental		
Service	Financial Leasing	Full-Service Leasing	Single "Subscription"	Multi Subscription	Rental	Car Sharing
Typical contract length	2 - 4 years		Up to 2 years	1 - 12 months	1 day - few months	1 minute - few days
Flips <sup>2</sup>	No			Yes	No	
Key characteristics	Financing of the car only	Financing plus all car-related services included (except fuel) <sup>3</sup>		Usage of the car with all car-related services included (except fuel) <sup>3</sup>		
Rights & duties	<ul style="list-style-type: none"><li>• <b>The lessee:</b><ul style="list-style-type: none"><li>– pays an installment,</li><li>– is liable for wear and tear of the leased item, and</li><li>– bears the costs for the necessary insurance</li></ul></li></ul>			<ul style="list-style-type: none"><li>• The tenant only pays the rent</li><li>• All other expenses are borne by the renter (owner):<ul style="list-style-type: none"><li>– bears the costs of wear and tear,</li><li>– must take out the necessary insurance, and</li><li>– retains any warranty claims</li></ul></li></ul>		
Risks & liability	<ul style="list-style-type: none"><li>• <b>The lessee:</b><ul style="list-style-type: none"><li>– is liable for damage or failure of the leased item</li><li>– is liable for dangers emanating from the leased goods</li><li>– owner transfers any warranty claims to the lessee</li></ul></li></ul>			<ul style="list-style-type: none"><li>• The tenant is only liable for damage to the rented property he or she is responsible for</li><li>• The owner bears the cost for failure of the rented property he or she is responsible for emanating dangers from the leased goods</li></ul>		
Contracting legal entity	Legal entity is subject to the provisions of the KWG German Banking Act (Kreditwesengesetz) <sup>4</sup>			Legal entity is <b>not</b> subject to the provisions of the German Banking Act (Kreditwesengesetz) <sup>4</sup>		
<div><div></div> Non-subscription characteristics (where deviating)</div> <div><div></div> Subscription characteristics</div> <div><div></div> Legal rights &amp; obligations exemplary for the German market</div>						

■ Non-subscription characteristics (where deviating)

■ Subscription characteristics

■ Legal rights & obligations exemplary for the German market

We speak of car subscription when a rental agreement has a term of between one and twelve months and may (but not necessarily) include the possibility of changing the vehicle

(car flip). Since Car Subscription is a rental contract, it can also be offered by unregulated legal entities in Germany, such as a National Sales Company (NSC).<sup>5</sup>

**Source:** Income Tax Treatment of Leasing Agreements for Movable Assets, BMF-Decree, 19th April 1971, BStBl I S. 264 (URL: <https://esth.bundesfinanzministerium.de/esth/2016/C-Anhaenge/Anhang-21/I/inhalt.html>, accessed on 17. January 2022).

<sup>2</sup> Flip means the change of the car during the contract duration.

<sup>3</sup> Commonly includes insurance, maintenance, repair, tires, car taxes, broadcasting fee.

<sup>4</sup> German Banking Act (Kreditwesengesetz).

<sup>5</sup> Capgemini is legally prohibited from offering any tax or legal advice. If you have any tax or legal related questions, please contact your tax or legal advisor.

# 3 UNDERSTANDING CUSTOMER NEEDS

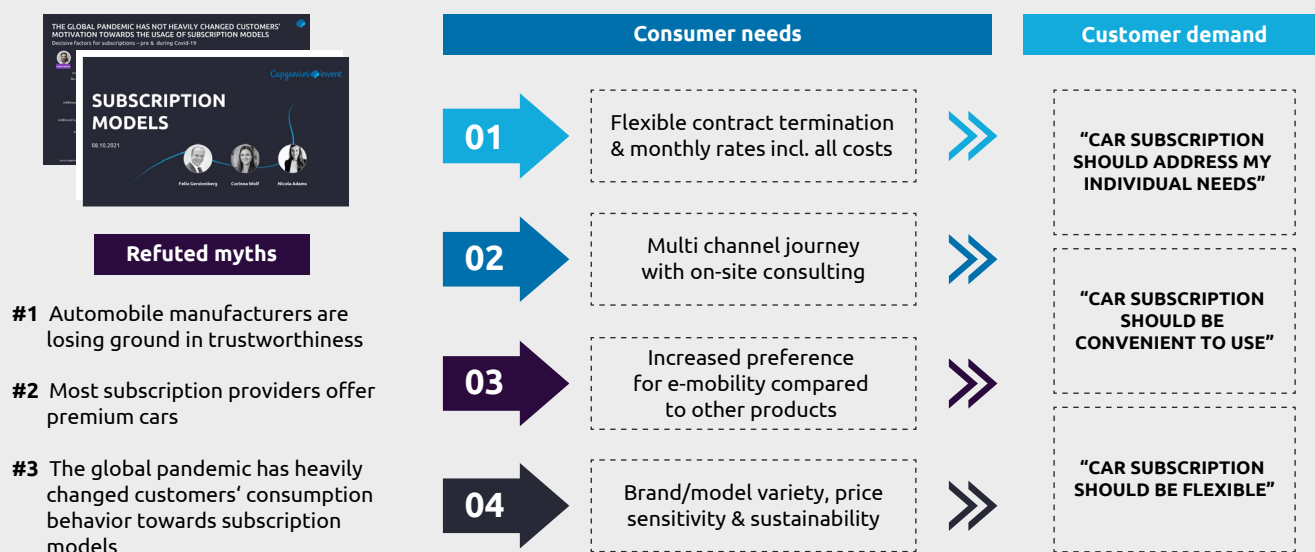
Identifying and addressing the right target customer segment is essential for creating a successful car subscription offering. The Capgemini Invent 2021 subscription survey – underpinned by other external research sources<sup>6</sup> – indicates a paradigm shift in customer behavior.

## New consumer types on the rise

Combining the insights generated from our car subscription study 2021 with more than 600 participants in Germany and further external research papers we conclude that the

consumer behaviour is constantly changing towards a need for digital service, 24/7 availability, and convenience. This has also an effect on new mobility services. We have identified three main drivers for changing consumer needs. Whilst convenience has been a centrepiece of service design for the past decades, this remains true also for the provision of mobility services. As a result, consumers take the availability of a multi-channel journey as given. Furthermore, consumers are seeking for a flexible solution in respect of contract duration and notice terms.

**Figure 3** Key insights of the Capgemini Invent subscription study (2021)



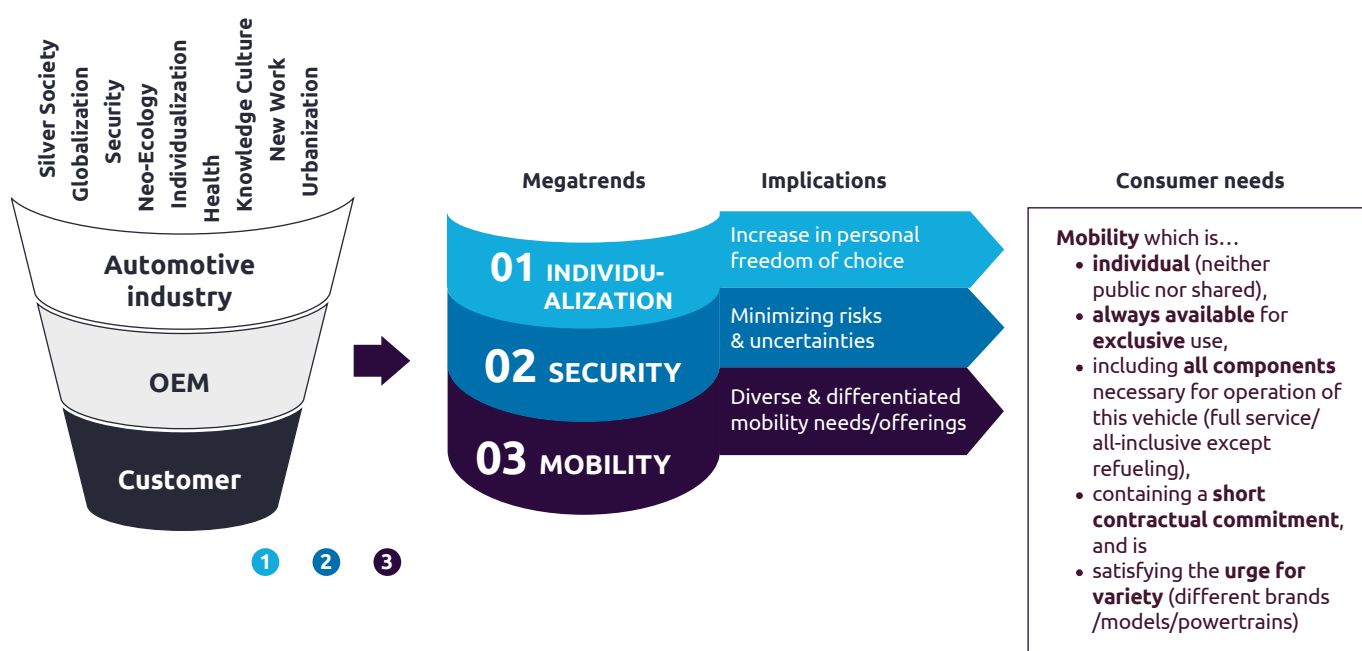
<sup>6</sup> Source: Megatrends 2021, ZukunftsInstitut

These claims are well in line with findings from the ZukunftsInstitut, ultimately broken down into the following triplet of observable megatrends: 1) individualization, 2) security and 3) mobility. So how do translate these into customer needs? The automotive industry has aimed at and long since delivered upon the lot size 1 claim – something the ever-vigilant customer has gladly accepted and grown fond of in the past, but which now continuously loses its innovative character and nowadays is considered a mere commodity. All the more reason to make a broad range of models/brands and powertrains available, to capture customers' interest. This must – and this one is obvious – of course include "green" options for those eager to defend their planet whilst being individual, but should also include common combustion engines, as recent surveys unveiled a still persistent unwillingness to neglect affordable car ownership altogether among younger generations – a strong statement towards the continuous need for individual, i.e., exclusively available mobility. Moreover, with entire generations shellshocked by recent crises (wars, global pandemic, looming recession, climate change, ...), there is a natural demand for security, i.e., being able to actively take back control in life. Translated into a potential car subscription design, a target customer group is thus looking for full service/all-inclusive offerings that provide

the necessary transparency to address any unknowns up-front and be done with them. Lastly, it should be noted that the average mileage travelled by humans around the globe is unprecedented and still continuously increasing. This spans of course across all means of mobility but taking a closer look at growing wealth and an increasing middle class now able to finance vehicles, the mobility demand is – if anything – stable to say the least.

These predominant megatrends provide implications that are reflected in the needs of today's consumers. Consumers continue to demand individual mobility that is always available for exclusive use. At best, the offer is supposed to cover all the necessary efforts associated with the operational use of the vehicle. The consumer needs products that have a full service/all-inclusive character, apart from refueling the vehicle. Furthermore, a short contractual commitment is a result of the increased demand for security and the endeavor to minimize risks and uncertainties. The ongoing individualization of society is also expressed by the products consumers are demanding. Individuals are demanding products and services which fits to their being. Hence, the urge for variety shall be satisfied with the offered car subscription i.e., with the choice of different brands, models, or powertrains.

**Figure 4** Megatrends and resulting consumer needs



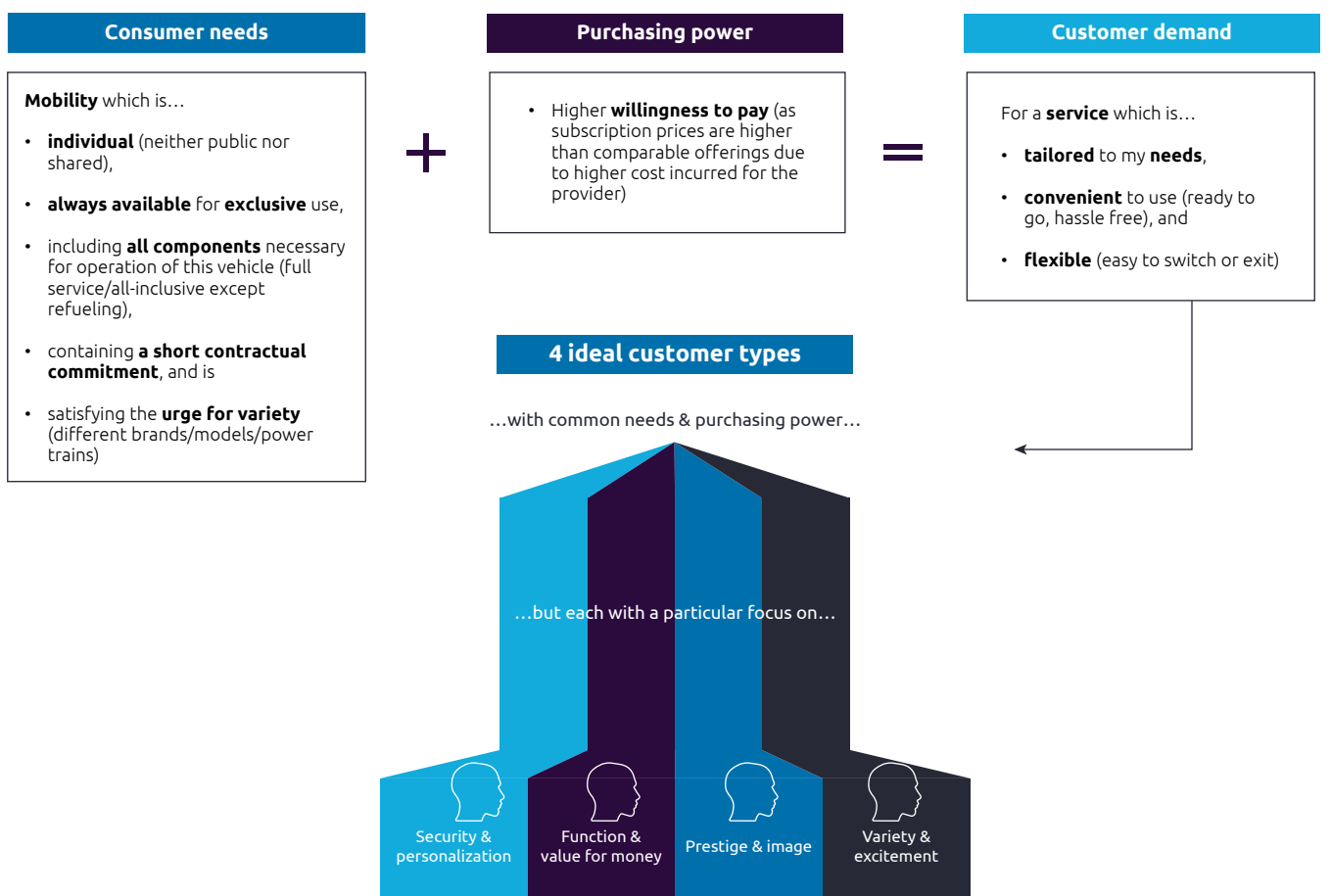


## Dissection of the customer base into ideal types

Preceding aspects of the customer demand are the above-mentioned consumer needs in mobility and the corresponding purchasing power. Latter is required for the translation of the consumer needs into the customer demand. The purchasing power is characterized by a higher willingness to pay comparatively to other mobility services due to higher structural cost incurred for the provider of the service (see chapter 5: Managing the business). In the next

step, Figure 5 describes the derivation of the ideal customer types, each matching a subscription archetype. Assuming that all consumers share a common mobility need, the ideal types differ in their focus on certain attributes and prefer different configuration of the subscription service. Further the arrangement of the focuses can lie upon 1) Security and personalization, 2) function and value for money 3) prestige and image, and 4) variety and excitement.

**Figure 5** Ideal customer types for subscription offerings



# 4 UNDERSTANDING THE MARKET

The car subscription market is highly dynamic and in constant motion. New providers are persistently emerging and disappear just as quickly. Thereby, most providers have at least once restarted their car subscription offer. For example, "Access by BMW", which started in 2019, stopped their subscription service in January 2021. Fluctuation and consolidation currently characterize the market.

## To analyze the market in more detail, we introduce the car subscription archetype model

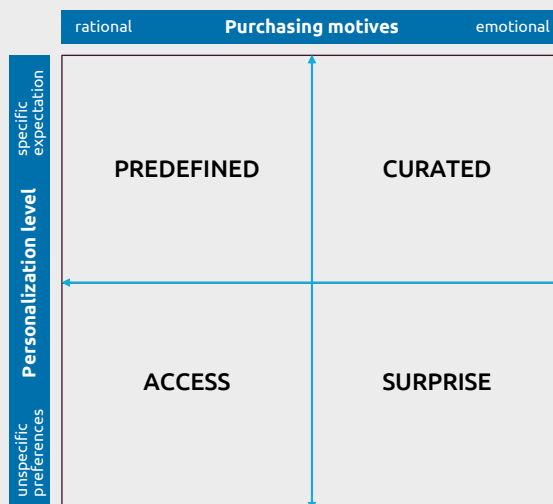
In order to understand the market and its car subscription providers more precisely, we arrange the existing offers in a four-field matrix based on the dimensions of personalization and purchasing motives. As mentioned above in the second section, OEMs should also consider the configuration of their car subscription offer regarding purchasing motives and personalization.

market - more precisely on car subscriptions - we adapted the archetype model by applying common automotive classifications for car purchasing. More specifically, we adapted Bischof's dimension "surprise level: transactional vs. experience oriented" in favor of automotive purposes by using the dimension "purchasing motives: rational vs. emotional".<sup>8,9,10</sup> The derived dimensions are illustrated in Figure 6.

Overall, our derived archetype model entails the two dimensions "purchasing motives: rational vs. emotional" and "personalization level: unspecific preferences vs. specific expectation". In terms of purchasing motives, a car subscription can target more rational or more emotional oriented customers. Rational oriented offers put the functional value in the foreground. The experience character takes a back seat, and the price plays a more important role. For instance, the brand, image, or design of a selected vehicle plays a subordinate role, whereas functional properties such as fuel efficiency and available space are rated higher. In contrast, in experience-oriented offers hedonistic aspects have a greater significance, and the customer is willing to pay a higher price.

In terms of the personalization level, a car subscription may target on either unspecific preferences or specific personal expectations. Personalized offers serve specific personal expectations which can be tailored to individual needs and are characterized by options. For instance, the customer can choose the vehicle model, the entire equipment, or even single features. The contract terms can be selected individually. Standardized offers target unspecific preferences and are geared more towards mass market, i.e., they can be changed little, if at all ("one size fits all"). Vehicles in such offers cannot be selected individually, but instead consumers may only choose between vehicle classes. Exemplified, customers with a high preference for personalization are prone to request a particular contract setup and car configuration, whereas consumers with a low preference for personalization access to vehicles itself is the main decisive aspect.

**Figure 6** Subscription archetype model adapted from Bischof et al. (2020)



The subscription archetype model is based on the typology for consumer goods subscriptions by Bischof et al. (2020).<sup>7</sup> As we focus on the automotive

<sup>7</sup> Bischof, Böttger & Rudolph (2020). Curated Subscription Commerce: A theoretical conceptualization, in: Journal of Retailing and Consumer Services, Vol. 54, No. 6.

<sup>8</sup> Wedeniwski (2015). The Mobility Revolution in the Automotive Industry, Springer Wiesbaden.

<sup>9</sup> Parment (2016). Die Zukunft des Autohandels: Vertrieb und Konsumentenverhalten im Wandel - Wie das Auto benutzt, betrachtet und gekauft wird, Springer Wiesbaden.

<sup>10</sup> Zöller (2007). Erlebnishandel im Automobilvertrieb, Springer Wiesbaden.

## Matching of car subscriptions archetypes to ideal customer types

Building upon the two dimensions, we define four archetypes (particular combination of attributes with respect to the dimensions vehicle, contract, price and customer focus) of car subscription, each aiming at a particular ideal customer segment to match: predefined, curated, access and surprise car subscriptions. Firstly, with respect to 1) PREDEFINED subscriptions, rational customers with a focus on security and personalization select a vehicle with a preconfigured range of basic options to receive at regular intervals. The resulting contract can be further tailored to customers' preferences with respect to duration, notice period and number of flips. With vehicles typically built to stock/order by OEMs and the applied economies of scale, pricing for such a subscription is typically low to medium in comparison to other subscription types. Moreover, 2) CURATED subscriptions focus on customers susceptible to prestige and image select specific premium cars with a variety of configuration options. The contract tailoring options are identical to those offered in the PREDEFINED quadrant. Since cars are typically built to order, pricing of such subscriptions is medium to high. Thirdly, referring to 3) ACCESS subscriptions, rational customers without a need to know, which specific products are part of their instalment purchase are sensitive to price. That ideal type focus on function and value for money. Customers in this quadrant select functional cars with basic options only. Thus, vehicles suitable for such a subscription contract usually are built to stock and contracts are highly standardized. As a result, customers are usually facing low to medium prices. Lastly, 4) SURPRISE subscriptions address customers that yield additional value from enjoying the thrill of not knowing which product they are purchasing (classes only), given the overall experience is still enjoyable opt for a surprise subscription. Vehicles from the premium segment are typically built to stock and feature classy equipment but lack options for configuration. Like CURATED subscriptions, pricing is typically medium to high with contracts offering very limited options for adjustment.

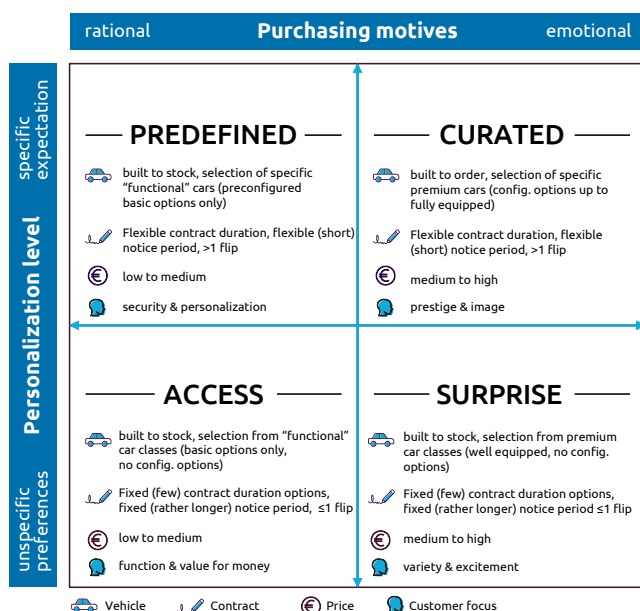
## Current market insights reflect perceptible market dynamics

As mentioned at the beginning of the section, movement in the car subscription market is already visible. The subscription provider "Access by BMW" enabled customers to decide on a particular vehicle. The pilot program started in 2019 but discontinued the subscription service in January 2021. Similarly, the car subscription offer "Audi On Demand" is no longer available since November 2021. The OEM relaunches its subscription offer in spring 2022 as part of the realignment with Volkswagen Group's mobility strategy. Main reason behind the relaunch was to realize potential synergies under one association. Further, Porsche's subscription pilot "Porsche inFlow" (introduced in 2019 in cooperation with subscription provider Cluno) was discontinued in favor of "Porsche Drive Abo" aimed at both existing and new customers and bridging the gap between "Porsche Drive Rental" and an actual car purchase in line with the "Porsche Drive" brand strategy. A non-OEM example of fluctuation in the market is described by Sixt. The 3rd party provider was offering "Sixt Flat" in 3 different flavors between 2018 and 2020, which was subsequently replaced by "Sixt+". With "Sixt Flat Nonstop" aimed at a broader target group, "Sixt Flat Weekend" and "Sixt Flat Seasons" were specialized offerings targeting commuters, younger drivers in urban areas and business customers or respectively wealthy individuals eager to drive certain car types in winter/summer. Complementary, unicorn Cazoo (founded in 2018, IPO in August 2021) drives market consolidation with recent acquisitions (Swipcar, Van365, SMH Fleet Solutions, ... in 2021 and Cluno, Drover, ... in 2020). As a conclusion, high market density makes 3rd party providers consolidate, whilst OEMs mostly fluctuate.

### At a glance: Introduction of the use case Sixt+

Sixt SE, established in 1912 combines over 100 years of experience in car rental, leasing and adjacent mobility solution provision around the globe. With its product Sixt+, introduced in 2020 as the successor to the aforementioned triplet "Sixt Flat", Sixt represents a subscription provider catering to both 1) surprise and 2) access subscription quadrants simultaneously by managing to supply both market segments through diversified choice of respective vehicle classes. Customers are able to choose between vehicle classes (premium → SURPRISE quadrant, non-premium → ACCESS quadrant). With respect to the subscription purchase, there are no specific configurations of the equipment or single features possible. Upper equipment level for all vehicles is set as a standard in the Sixt+ offering. Moreover, the fleet cars utilized to serve Sixt+ are not older than 12 months. Product prices aimed at high paying private and business customers alike (from 999 EUR/month instalment for drivers aged 21+, high risk drivers aged 18-20 must pay a compensatory premium with the lowest fee at 1,148 EUR/month and face a limited selection of classes available), although mass market brands (Ford, Opel, Renault, ...) are available in non-premium classes. During the contract term there may be a compulsory change of vehicle if the maximum vehicle age of 12 months has been reached. Self-renewing contract duration of 30 days (fixed) unless terminated by the customer via simply returning the car. Notably is the extreme short notice period up to one minute before automatic renewal. Termination of the contract prior to current booking period results in a full contract down payment liability and no reimburses for non-utilized time during contract term characterize the subscription offering. As of December 2021,

**Figure 7** Four subscription archetypes derived ideal customer types



Sixt+ is available in Germany, Switzerland, Austria, Spain, Netherlands, France, USA, GB (no franchise).

## As an incumbent subscription player Sixt provides adaptable intelligence

Figure 8 outlines the key elements of Sixt's business model incorporated in the BMC. As primary key partners, OEMs and dealers represent the foundation for vehicle procurement, agreed buybacks, deliveries and represent the beginning of the subscription value chain. Partnering with banks and financial institutions enable proper vehicle financing and treasury, whereby mobility partners and insurances perform operating activities.

Sixt+ represents the subscription service for vehicles of a predefined range of vehicle classes including multi-brands and models to cover a broad bandwidth of customers. In order to operate efficiently, the carpool is partially shared with other Sixt rental products (Sixt Share & Sixt Rental Cars). Sixt operates an advanced Fleet Management System, which through the degree of digitalization saves efficiencies

and thus significant costs. In the process of creating a contract, customers have the option of concluding a contract completely online (including credit and driver check, license validation, ...). Only for the pickup and delivery of the vehicle they have to arrive at a pre-determined Sixt station. The expansion and digitalization of fleet management are central pillars of the business model, which is why Sixt has also invested more in these areas during the Corona pandemic, despite tight procurement markets. Likewise, the information and distribution channels are largely synchronized and digital. Customer access is mainly via the Internet. Further advice is still provided directly online, or secondarily in Sixt stations. Due to fleet size, Sixt is able to push down procurement costs, as they can negotiate bulk discounts when negotiating for the vehicle procurement. This is a major advantage over competitors, as a major cost factor is the rapid depreciation of vehicles taken into operation. Regarding the revenue structure, Sixt+ offers the possibility to book numerous elements in the subscription (additional service, several authorized drivers, possible trips abroad).

**Figure 8** Business Model Canvas (BMC) applied to Sixt's business model

### Enhanced BMC

08 Key Partners	07 Key Activities	02 Products & Services	04 Customer Relationships	01 Customer Segments	10 (Legal) Framework
<ul style="list-style-type: none"><li><b>OEM</b> (procurement and buybacks)</li><li><b>Dealers</b> (delivery, return and buyback)</li><li><b>Mobility partners</b> (rent out and return)</li><li><b>Insurances</b> (for car insurance)</li><li><b>Banks and financial institution</b> (for treasury)</li><li>...</li></ul>	<ul style="list-style-type: none"><li><b>Fleet management</b> incl. inflleet &amp; defleet etc.</li><li><b>Contract management</b> incl. credit check, driver licence validation etc.</li><li><b>Damage management</b></li><li><b>Yield management</b></li><li>...</li></ul>	<ul style="list-style-type: none"><li><b>Sixt+</b> as a subscription services for vehicles of a predefined range of vehicle classes (multi-brand and -model with various powertrains)</li><li><b>Car pool</b> is <b>partially</b> shared with Sixt Share and Sixt rental cars</li></ul>	<ul style="list-style-type: none"><li><b>CIC</b> (only own staff)</li><li><b>KAM</b> (only own staff)</li><li><b>Customer Self Service Portal</b></li><li><b>Fleet portal</b> (for corporate customers)</li><li><b>Sixt rental stations</b> (branches &amp; franchise)</li></ul>	<ul style="list-style-type: none"><li><b>Private individuals</b></li><li><b>Corporate customers</b></li></ul>	<ul style="list-style-type: none"><li>Supplier agreements incl. <b>buyback</b> options</li><li>Local legal requirements</li><li>Data management / exchange regulations</li><li>Data privacy and data security</li><li>Customs and duties</li><li>...</li></ul>
<b>06 Key Enablers</b>		<b>03 Channel</b>			
<ul style="list-style-type: none"><li><b>Front-end and Back-end CMS</b> for Sales, CIC and customer</li><li><b>Fleet management systems</b></li><li><b>Yield management systems</b></li><li>...</li></ul>		<ul style="list-style-type: none"><li><b>Communication</b> channels: Above-the-line, Web, App, etc.</li><li><b>Sales</b> channel: Online/Offline (own and franchise, <b>no</b> intermediaries)</li><li><b>Delivery/return:</b> Sixt rental stations</li></ul>			
<b>09 Cost Structure</b>			<b>05 Revenue Streams</b>		
<ul style="list-style-type: none"><li><b>OPEX</b> for depreciation (or leasing or rental fees) of assets, personnel cost, operational cost like insurance, taxes, registration, transportation, and (if any) for maintenance, repairs, tyres and refurbishment, etc.</li><li><b>CAPEX</b> for capital assets (mainly for car pool) or intangible assets (e.g. software such as yield management system).</li></ul>			<ul style="list-style-type: none"><li>Fees from <b>subscription</b>, and income from others (e.g., <b>damages, excess mileage, extras</b>, late return, extra cleaning etc.)</li><li>Others, such as <b>royalties</b> etc.</li></ul>		

Overall, some key observations of the business can be concluded: Sixt reacts to the shared economy trend with the divestiture of Sixt Leasing SE and develop towards becoming a mobility provider rather than financing it. Additionally, Sixt acknowledges further trends, i.e., urbanization and e-mobility by focusing its "Sixt share" and "Sixt drive" offerings on urban areas and gradually increasing its electrified fleet. Sixt+ benefits from conveniently placed Sixt branches and the shift in available vehicle options. Broad partner landscape helps promote Sixt's portfolio (including B2B via Sixt ONE). Sixt's strategic

investments in further internationalization (e.g., Australia), new products (Sixt+), customer-friendly digital processes and fleet expansion have led to historically best Q3 operating result despite tight procurement markets.<sup>11</sup>

## Lessons learned derived from the use case can be translated into recommendations for OEMs

Despite fundamental differences between business models of rental companies, 3rd party providers, and OEMs, useful intelligence can be derived, aligned, and scaled up by observing already matured market participants.

<sup>11</sup> Sixt SE, Group Quarterly Statement as 30 September 2021; <https://about.sixt.com/download/companies/sixt/Quarterly%20Reports/DE0007231326-Q3-2021-EQ-E-00.pdf>



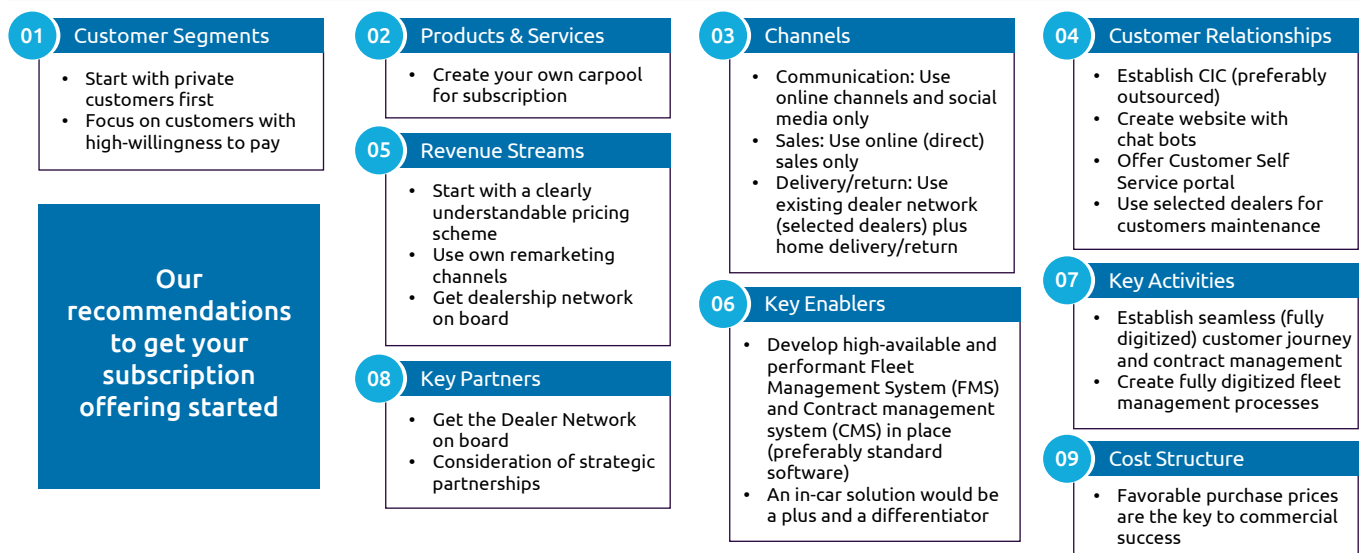
Basically, companies should be aware of their advantages and disadvantages due to organizational circumstances and incorporate subscription business in a way that brings their strengths to the surface. Leveraging core capabilities and turning them into beneficial elements upon the value chain of the subscription model illustrates the success formula among competitors.

Historically, OEMs focus on B2B customers led them oversight rising potential in the B2C segment. Private sector enables a viable market entry more facilitated through customer engagements reliable upon already existing dealership network. Subscriptions represent an opportunity for OEMs to establish a digital channel for selling to end customers and pose a natural entry point into digital and direct sales. Even though start-ups dominating digital channels, OEMs may catch up with financial power and target-oriented strategy. To meet ongoing consumer trends, the subscription service must comprehensively cover elements of the customer demand and rank them as top priority. Customer-centricity depicts a major facet when analysing the success story of incumbent providers. Convenient and flexible completion and utilization of service offered must be catered by fully digitized processes (seamless customer journey and contract management). Set-up of highly available online communication and sales channels allow higher penetration rate of offered services and strengthen the customer relationship by provide various touch points, for instance, Self Service Portals or chat bot to enhance interactions to a greater extend. Customer

satisfaction and experience are extremely pertinent for customer retention and should be focused since subscription offers can be quitted within a short notice period.

In contrast to providers operating subscription service exclusively, vehicle producer can leverage their advantages in form of pre-existing organizational structures and know-how in asset management. Essentially, OEMs do not have the urgent necessity to scale up branches in mobility hubs as like 3rd party providers or leasing companies due to their pronounced dealership network, which can be seen as key strategic partnerships within subscription business models for OEMs. The dealer network constitutes a crucial linchpin for operating in miscellaneous aspects and might delivers synergies by avoidance of costly initial investments in view of formatting stationary infrastructure. They represent the offline touch point between dealer and customer, conduct continuing sales conversation and contract execution as subscriptions provide an opportunity to develop an already ongoing relationship with customers. Moreover, the rental station might function as delivery and returning points for vehicles available for subscription. Overall, a viable dealer network delivers market data for further controlling and enables regional adjustments in managing vehicle supply and scaling of subscription offerings. Providers require a deep understanding of the actual customer base and their requirements. In-depth data analytics systems are key to gaining insights providers need to convince customers with a perfectly tailored offer.

**Figure 9** Approached BMC to OEMs' business model



Typical subscription contracts are characterized by a high degree of flexibility for end users. Customers are allowed to flip vehicles, terminate with a short notice period, and receive an all-inclusive service, compensated by a recurring subscription fee. Those recurring revenues streams may complement traditional vehicle sales since they deliver predictable cash inflows when starting operations with clearly understandable pricing schemes. Additionally, vehicle procurement (and corresponding vehicle depreciation) represents key matter of expense for subscription providers. The profit margin is not infrequently dependent on the purchase prices of the vehicles, wherefore 3rd party

providers focus upon negotiating of discounting rates for vehicle procurement. Vehicle procurement represents the first value chain in the subscription business model. By dumping prices for B2C customers, OEMs can unlock given potential as vehicle producers and start an initial market entry via price strategy. Setting legal frameworks for remarketing of used vehicles with existing dealer network ensure predictable cost structures and eliminate residual value risk. Additionally, providers with a dense retail network will have more available vehicles and lower logistics costs, giving OEMs, dealer groups and rental companies a clear competitive advantage over exclusively platform providers.

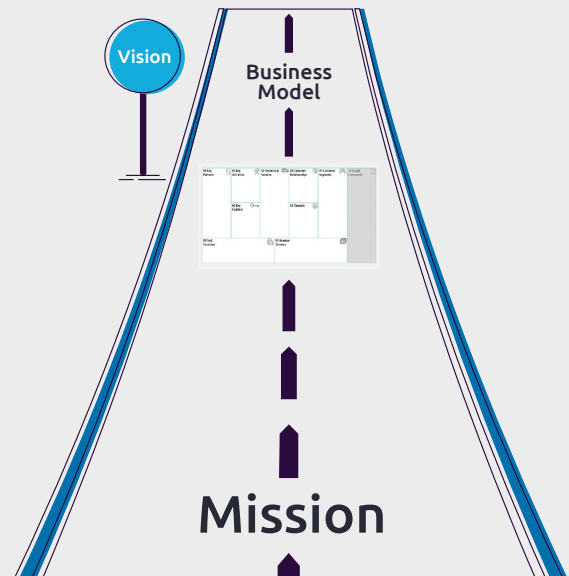
# 5 MANAGING THE BUSINESS

After analyzing market intelligence and applying derived lessons learned of mature market participants to the business model of OEMs, we continue with initiating the strategic road from the scratch. Subsequently, we are investigating selected building blocks of the car subscription business.

## From a sketchy vision to tangible objectives

In order to implement a viable subscription business, OEMs must translate their vision into achievable goals (mission). We identify four central aspects required for strategic considerations when formulating a vision: 1) Customer acquisition, 2) sales promotion, 3) profit making, and 4) sandbox. OEMs ought to focus on attraction of new customers willing to try a new brand, model, or powertrain (customer acquisition). Efforts should be made to achieve a spillover effect: customers who buy, finance, or lease the same or similar brand/model they have tried during their subscription trial (customer loyalization). Customer engagements via subscription might lead to further sales upon the main channel. Alternatively, customers stay with subscription and prolong the existing, or enter a new subscription contract. Both customer journeys can be seen as complementary customer strategies. Generally, customer acquisition ought to be done via step-by-step approach. OEMs must start with a single subscription market segment first before conquering other. Moreover, utilization and commercial handling of excess vehicle stock is crucial for a profitable business construction. Unsold stock vehicles should be registered and added to the subscription carpool instead of single-day registration or provision to rental car companies. Sales promotion via reallocation of rental company and dealer quotas leads to reduction of cost of retail and single-day registrations. However, subscription is typically more cost-intensive than services of similar category (rent/leasing), positive profitability can be achieved by increased revenue streams and realization of high margins. On the operational level, exploitation of wealthy customer groups and optimization of operational costs should be aimed for. Lastly, new sales models need to be piloted and enhanced iteratively (try and error approach). Learning from own experience and circumstances by running small scale pilot projects for new product groups, new sales regions, electric powertrains, or new partners such as 3rd party providers. Considering these four strategic aspects when formulating a vision, subsequently translating into achievable goals, and finally projecting into tangible

**Figure 10** Our conception of the strategic road for OEMs approaching subscription business



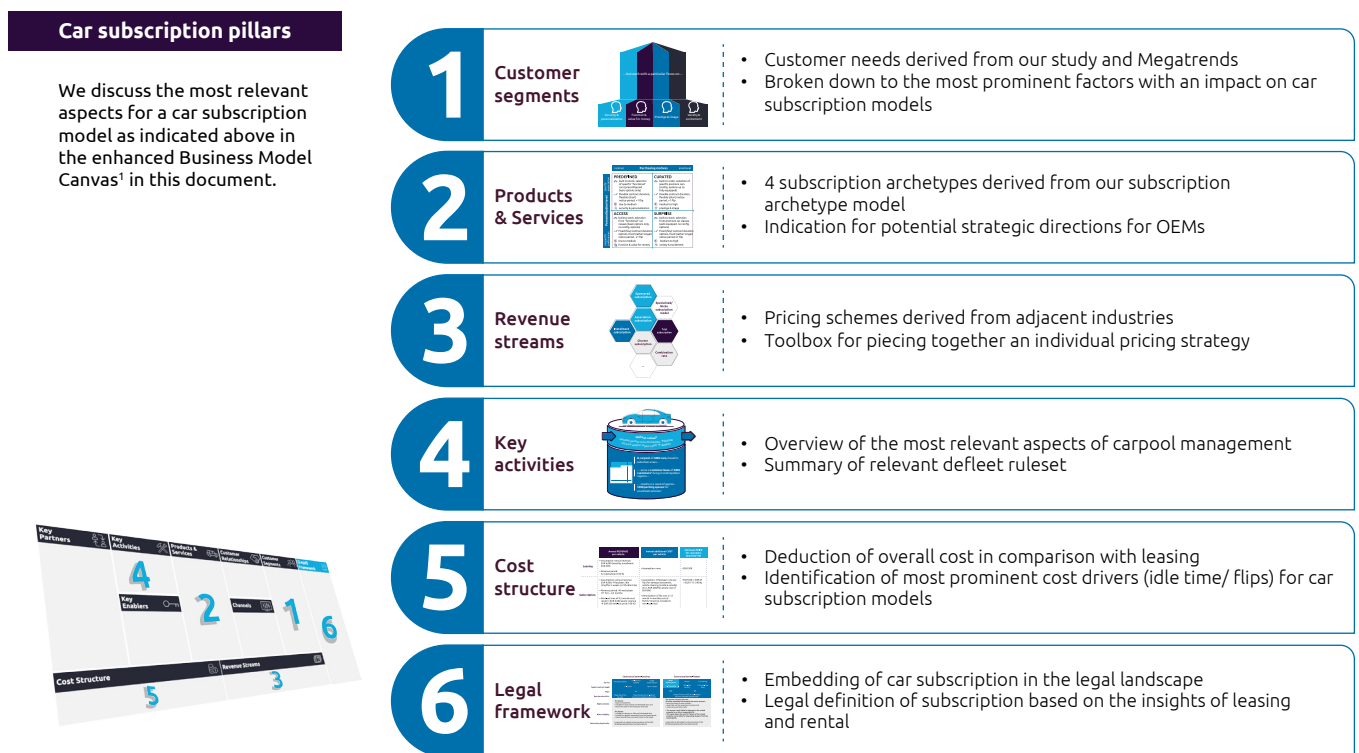
operations, enable OEMs to amplify their previous business model by adjacent mobility concepts fitting into their overall strategy.

## Diving into subscription market: most relevant pillars of car subscription model

In this paper, we address the most relevant pillars of car subscription that will feed into the target business model. To understand car subscription in detail, interested parties must deal with several aspects. Figure 11 illustrates which strategic elements of the business model canvas we cover with the underlying white paper. As indicated in chapter three, subscription is a strongly customer-centric service. Hence, customer needs must be identified clearly. Furthermore, our Capgemini Invent Subscription Study (2021) caters enriching information with respect to customer trends for the subscription market.

Scientifically, we derived four subscription archetypes to understand previous market dynamics and to guide OEMs strategically into the business of subscription. Revenue streams, including possible pricing schemes, Key activities i.e., carpool management and fleet rulesets, as well as cost structure of the subscription service are going to be described and reviewed in the following chapters.

**Figure 11** Relevant car subscription pillars addressed in this paper (BMC)



## Ensuring high profitability by steering pertinent building blocks

As indicated already, different elements need to be considered for setting up a viable subscription business. However, we identified three building blocks that have a major impact on profitability. Identifying cost drivers, with analyzing structural cost positions, managing carpool management properly, and offering of a reasonable pricing scheme bear large potential for OEMs suppress costs appearing with integrating subscription business into overall corporate strategy.

## Breakdown of revenue and cost components reveals structural nature of subscription

At first glance, leasing and subscription models appear to have similar cost and revenue components. However, a more accurate look discloses that providers who want to offer subscription services, need to be aware of the hidden cost drivers. Figure 14 shows a simplified comparison between an annual full-service-lease (three years) and a subscription contract with a term of one year. In this comparison the revenue and cost components of the asset perspective are considered. We assume that the vehicle offered for lease generates 500 EURO per month, resulting in a total

**Figure 12** Leasing vs. subscription: structural comparison

Leasing	Subscription	
<b>Annual REVENUE per vehicle</b>		
<ul style="list-style-type: none"> <li>Assumption: Annual revenue: EUR 6,000 (monthly installment: EUR 500)</li> <li>Revenue period: 52 weeks/year (100 %)</li> </ul>	<ul style="list-style-type: none"> <li>Assumptions: Annual revenue: EUR 6,000; 4 flips/year; idle time/flip: 3 weeks (<math>\approx</math> 23 % idle time)</li> <li>Revenue period: 40 weeks/year (77 %) <sup>1</sup>~ 9,2 months</li> <li>Rent-out time of 9,2 month must result in EUR 6,000 yearly revenue → EUR 650 rent-out price (+30 %)</li> </ul>	
<b>Annual additional COST per vehicle</b>		
<ul style="list-style-type: none"> <li>Assumption: none</li> </ul>	<ul style="list-style-type: none"> <li>Assumption: 4 flips/year; cost per flip (for damage assessment, vehicle cleaning (inside &amp; outside) etc.): EUR 200/flip; yearly cost of EUR 800</li> <li>Amortization of flip cost in 12 month → monthly cost of EUR 67 (must be included in rent-out-price)</li> </ul>	
<b>Minimum PRICE for customers (monthly fee)</b>		
<ul style="list-style-type: none"> <li>EUR 500</li> </ul>	<ul style="list-style-type: none"> <li>EUR 650 + EUR 67 = EUR 717 (+43%)</li> </ul>	<div style="background-color: #f0f0f0; padding: 10px;"> <p><b>HIGHER PRICE NEEDED</b></p> <ul style="list-style-type: none"> <li>To compensate the idle time (in carpool), subscription per period cost more in order to yield the same revenue.</li> </ul> </div> <div style="background-color: #f0f0f0; padding: 10px;"> <p><b>FLIP COST &amp; IDLE TIME</b></p> <ul style="list-style-type: none"> <li>The flip cost are linear with the number of agreed flips –however, in practice customers do not fully take advantage of the flip opportunities.</li> <li>Idle times cannot be avoided in short-term vehicle rentals.</li> </ul> </div>
Cost drivers are idle times due to flips.		

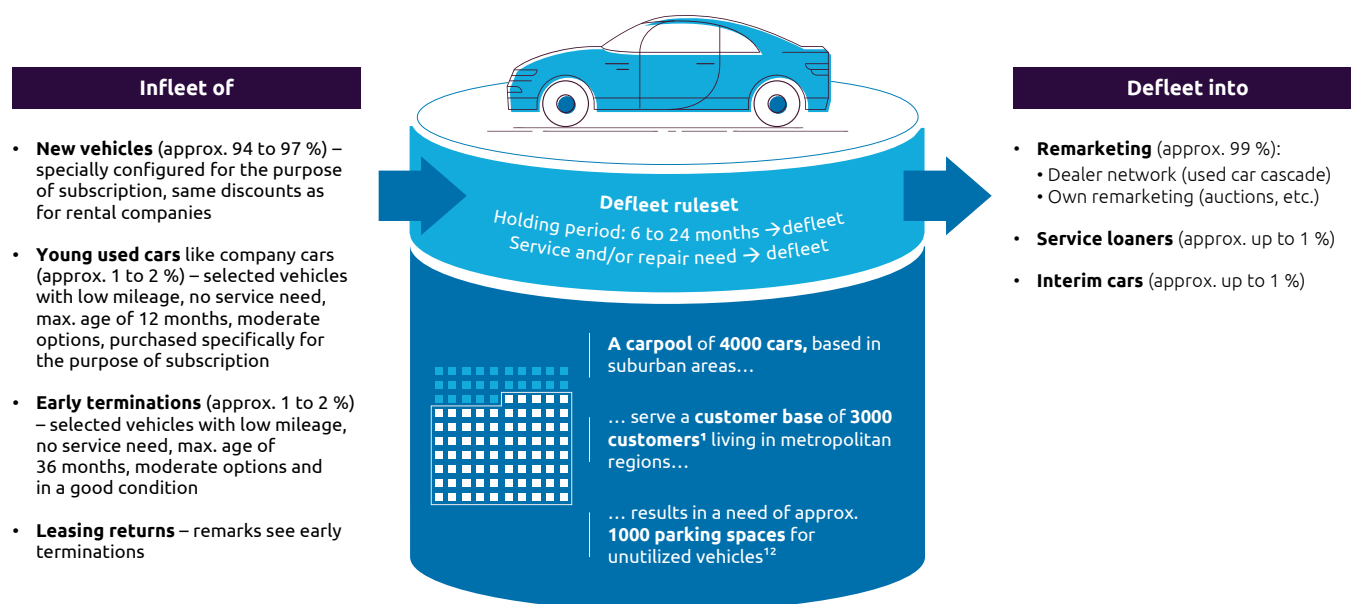
of 6000 EURO per year. The revenue period is equal to a full year/ 52 weeks (100%) since the customer owns the vehicle for the entire period. Under the leasing contract, there is no annual cost per vehicle, resulting in a minimum price of 500 EURO per month, which is charged to the end customer. Unlike lease, the subscription contract delivers less than 52 weeks of revenues (100%) on an annual basis due to contractual fixed flexibilities for the customer such as optional vehicle changes during the period (assuming the customer is entitled to four vehicle flips per year). Each vehicle change is associated with a vehicle absence time of 3 weeks (idle time), resulting in an absence of 23% on an annual basis through use of contractually defined flips. During this period, the contractual object cannot be re-rented out and can thus not generate any additional revenue. Accordingly, the revenue period is reduced to 40 weeks per year (to 77%) yielding in a total rent-out-time of 9,2 months. In order to yield 6000 EURO annual revenue per vehicle, the rent-out-price must increase by 30% to 650 EURO. Assuming each flip incurs additional costs of 200 EURO to cover the cost of vehicle cleaning and assessment of possible vehicle damage, these add-up to additional annual costs of 800 EURO, which increases the monthly base fee for the customer by 67 EURO. Finally, the minimum price for the customer as monthly fee must constitute 717 EURO to encompass the vehicle idle time and the extra costs for reconditioning, which represents an increase of 43% of the minimum price of the lease equivalent. Consequently, the flexibility with which the customer contractually equipped leads to lower revenues due to absences of the vehicle in the carpool, and to additional costs incurred by reconditioning and subsequent reassignment of the vehicle. Flip costs are linear with the number of flips agreed contractual, however in practice customer do not fully take advantage of the flip opportunities. When renting vehicles on short notice, idle time cannot be avoided, yet subscription providers should find a way to minimize idle time in favour of increasing the revenue period.

## Sound carpool management provides profitable business

What activities need to be coordinated and considered by a functioning carpool management system? Carpool management comprises the development, organization and implementation of all processes required to manage a fleet. This includes all steps from the sourcing of vehicles to their maintenance and disposal. A successful strategy minimizes costs, ensures that key performance indicators are met and increases productivity and efficiency. The right carpool management strategy develops ways to deal with uncertainty and build resilience and additionally, offers advantage potential over other providers.

Figure 13 illustrates the vehicle life cycle of a typical subscription provider. In this context, most vehicles used for subscription are new cars. These are specially configured and purpose-built vehicles that rental companies or 3rd party providers with an own fleet try to procure at discount. OEMs, by their nature, do not have to take care of vehicle procurement to the same extent. This creates a cost advantage due to the elimination of procurement processes, including vehicle purchase and price negotiations. A small part of the incoming fleet vehicles consists of young used vehicles or vehicles from early contract terminations, which have been specially selected to meet the needs of the subscription service. Characteristics that fulfil these are, for instance, a low mileage or no immediately required service for the vehicle. For a fleet vehicle, we consider a holding period of 6 to 24 months to be reasonable. However, this is usually a case-by-case decision and requires an examination of the vehicle's condition. After 24 months, nevertheless, the vehicle is supposed to leave the fleet. We also see the need for major services or repairs as a reason to remove the vehicle from the fleet and to remarket it. The remarketing process of used vehicles that are no longer available for subscription represents an important pillar in the profitability

**Figure 13** Carpool Management



<sup>12</sup> Assumption: Utilization of 75 % (Car utilization rate of Europcar in 2019 was ~ 75,4 %)



of carpool management. Vehicles should be marketed and sold largely through the own dealer network or through internal remarketing. The OEMs have the great advantage in this regard that they already have a developed network that enables them to reuse the vehicles efficiently.

Not to be disregarded is the circumstance that not all vehicles can be utilized at the same time. Accordingly, this is implying that the provider needs always free parking spaces available in order to accommodate unutilized vehicles. For example, a suburban carpool provider needs a fleet of 4000 vehicles to serve a customer base of 3000 people. This results in a need for at least 1000 parking spaces, assuming a vehicle utilization rate of 75%. The top priority in this context is to increase the utilization rate. A fully digital carpool management system, which includes the complete chain of float-in and float-out as well as the integration of possible strategic partnerships with repair shops and vehicle reconditioners, should be strived for. This could shorten idle time of the vehicles and allow them to be reused more quickly, either in another subscription contract or for sale on the secondary market.

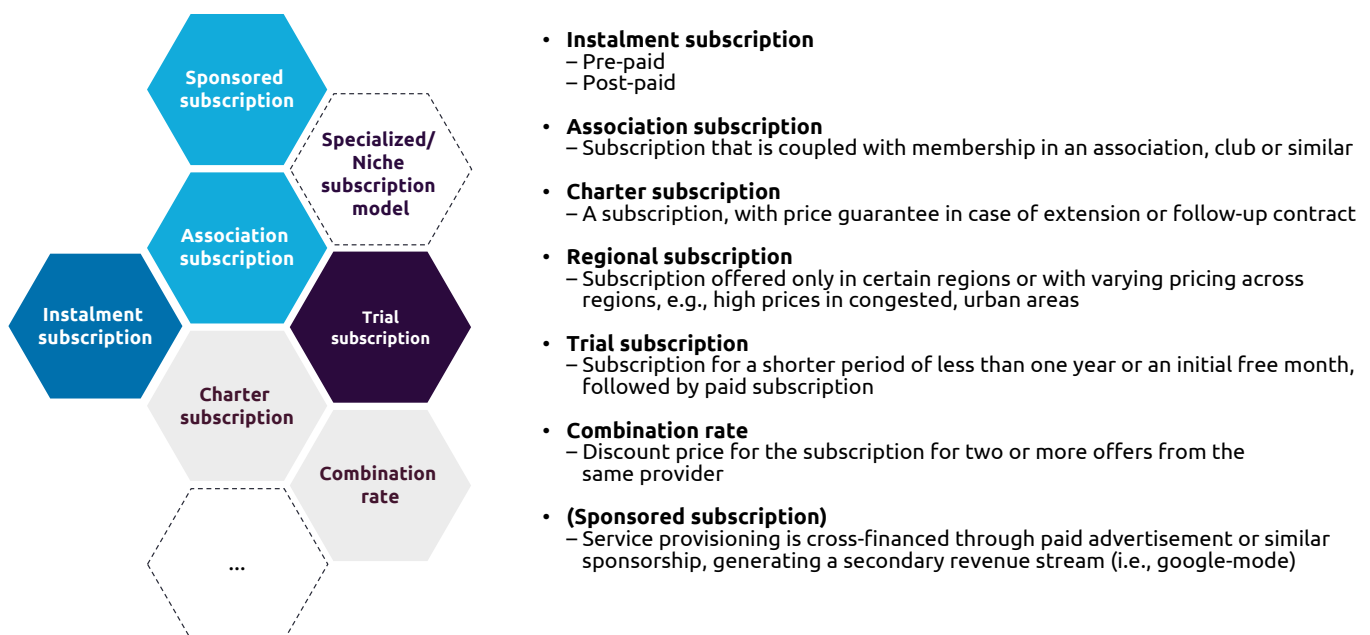
In summary, a fully functional carpool management system is the linchpin for a profitable subscription service offering. Providers ought to pursue favorable purchase prices for vehicles, as depreciation is one of the largest cost items (the profit is in procurement). Tightly managed operating cost through efficient and digitized processes should be strived for, and a high utilization of vehicles enabled by a sound management of idle times for example through better synchronization of the delivery and return moments.

## OEMs should adopt cross-industry subscription best practices

Unlike well-known business models where the focus lies on customer acquisition and traditional sales of products and services, the subscription model is characterized by customer retention and recurring revenue streams. Thus, pricing in the subscription scenario needs to be well thought out and tailored to the customer base since the business model depends highly on customers' loyalty. However, as indicated earlier, subscription is not a new phenomenon, but undergo a successful renaissance in different industries. Important pioneers in subscription business are sectors such as the media and entertainment industry (Streaming on-demand), education and professional development (LinkedIn Learning), and the software industry (Software-as-a-Service) to name but a few. For this reason, a meaningful approach consists of scanning cross-industry best practices in regard of used pricing schemes with subsequent translation into a suitable pricing strategy for car subscription.

The right pricing strategy should not only cover costs and generate profit, but also provide the opportunity to address different customer groups and get to know the market better. Figure 14 provides example subscription pricing types that can be considered when implementing a custom model. In more relation to a vehicle subscription, important elements need to be included into pricing strategy. For instance, usage-based components:

**Figure 14** Overview different subscription price models



In that case, the usage-related behaviour of the individual customer is charged for (e.g., excess mileage, deterioration fees). Grading of the service into different tiers, resulting in different price ranges (standard or premium membership for different degrees of service). A general activation fee for new customers, which, however, can be omitted when the contract exceeds a certain term, as well as an early termination fee when breaching contract agreements. Additional services are also a meaningful extension (e.g., insurance navigation, child seats, in-car purchases). The most profitable pricing strategies put customer value front, are driven by data, and match your customers' purchasing and usage habits. Accordingly, many elements can be included in pricing, however they must be aligned with the mobility needs of the customer base to add value.

### Key performance indicators with associated target values build the basis for transparency

Now that the vision has been translated into a clear business model and initial operations are conducted, the introduction and execution of continuous monitoring and controlling of performance indicators are required to enable effective steering towards target values. We have divided these KPIs into a 4-field matrix to derive the best interpretation and recommended action for OEMs from resulting figures. On the one hand, results (absolute numbers), and result quality (ratio) are included, and on the other hand, the reporting status as well as future reflections are taken into account. More detailed explanation is provided by Figure 15.

More precise, results (absolute numbers) depict achievements localized in the P&L and balance sheet as well as forecasted figures of continued business execution, whereas the quality of these results is derived by making figures comparable through the creation of ratios. Ratio figures serve as a far-reaching compass to help evaluate the path taken and to make changes in case of doubt. Exemplary key performance indicators that focus on the state of the business (monitoring) are reporting or financial accounting figures, e.g., turnover, profit, or cost. At the operational level, the number of vehicles, number of stations, or the number of customers can be included into calculation. In contrast, controlling (managerial accounting) seeks to extrapolate, based on observational data, the future development of the business (forecasting) e.g., net present value, budget, predicted number of new contracts, or predicted carpool size. Essentially, in order to clearly separate strategic from operational recommendations, we distinct between financial and operational key figures throughout: Financial KPIs concentrate on new business and contract portfolio (investments, etc.), whereas operational KPIs are focusing on keeping the business afloat, e.g., processes (lead time etc.) and carpool operations. KPIs to track the quality of ongoing businesses are for instance, turnover per contract, profit margin, or the utilization rate of vehicles operating. Consolidation of these KPIs with the bottom-up approach must be in place as a prerequisite for meaningful and successful strategic derivations. Therefore, the lowest operational levels and vehicle branches must already record, aggregate, and forward these in a uniform manner. At Capgemini Invent, we see iterative performance measurement as a necessary tool to evaluate preconceived visions and goals to ensure sustainable business development.

**Figure 15** Exemplary Key Performance Indicators (KPI)

	Result (numbers)	Result quality (ratios)
Reporting (status)	<ul style="list-style-type: none"> <li>• <b>Financial figures</b> <ul style="list-style-type: none"> <li>– Operating revenue</li> <li>– Cost</li> <li>– Profit</li> </ul> </li> <li>• <b>Operational figures</b> <ul style="list-style-type: none"> <li>– No. vehicles</li> <li>– No. customers</li> <li>– Order intake</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Financial figures</b> <ul style="list-style-type: none"> <li>– Turnover per Contract</li> <li>– Cost per Contract (CpC)</li> <li>– Profit margin</li> </ul> </li> <li>• <b>Operational figures</b> <ul style="list-style-type: none"> <li>– Utilization rate</li> <li>– Conquest/churn rate</li> <li>– Fleet and personnel expenses as of revenue</li> </ul> </li> </ul>
Controlling (forecast)	<ul style="list-style-type: none"> <li>• <b>Financial figures</b> <ul style="list-style-type: none"> <li>– Net present values (NPV)</li> <li>– Budget</li> <li>– Net Financial Debt used for fleet assets</li> </ul> </li> <li>• <b>Operational figures</b> <ul style="list-style-type: none"> <li>– Predicted no. of new contract (based on no. Leads, etc.)</li> <li>– Predicted average fleet size</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Financial figures</b> <ul style="list-style-type: none"> <li>– NPV per contract</li> <li>– ...</li> </ul> </li> <li>• <b>Operational figures</b> <ul style="list-style-type: none"> <li>– Predicted no. of order intake comp. to overall no. of contracts (trends)</li> <li>– Predicted ratio of infleeted vehicles secured via buyback agreements in relation to overall fleet.</li> </ul> </li> </ul>

# 6 GETTING STARTED: KEY FACTORS

Key success factors for an OEM's car subscription offering include a clear strategic direction, a solid business model design, and a

concept for monitoring and managing ongoing business. Capgemini Invent can help in each of those areas to create a practical solution.

**Figure 16** Success Factors Illustration



More precisely explained, a possible approach might resemble as following: A clear strategic direction must encompass a definition of a concise vision: To what extent can a subscription offer be embedded into the corporate strategy. What long-term direction do I want to take with the offering, what do I expect, and what purpose do I want to serve? The new provider must clarify these issues in advance to avoid negative effects such as weakening the existing portfolio by cannibalization. Hence, objectives as entering a new market, acquisition of a new customer group, or sales promotion of utilized vehicles must be in line holistically with the long-term vision and strategy. In the next step, OEMs need to break down their vision into coherent missions and milestones. This could

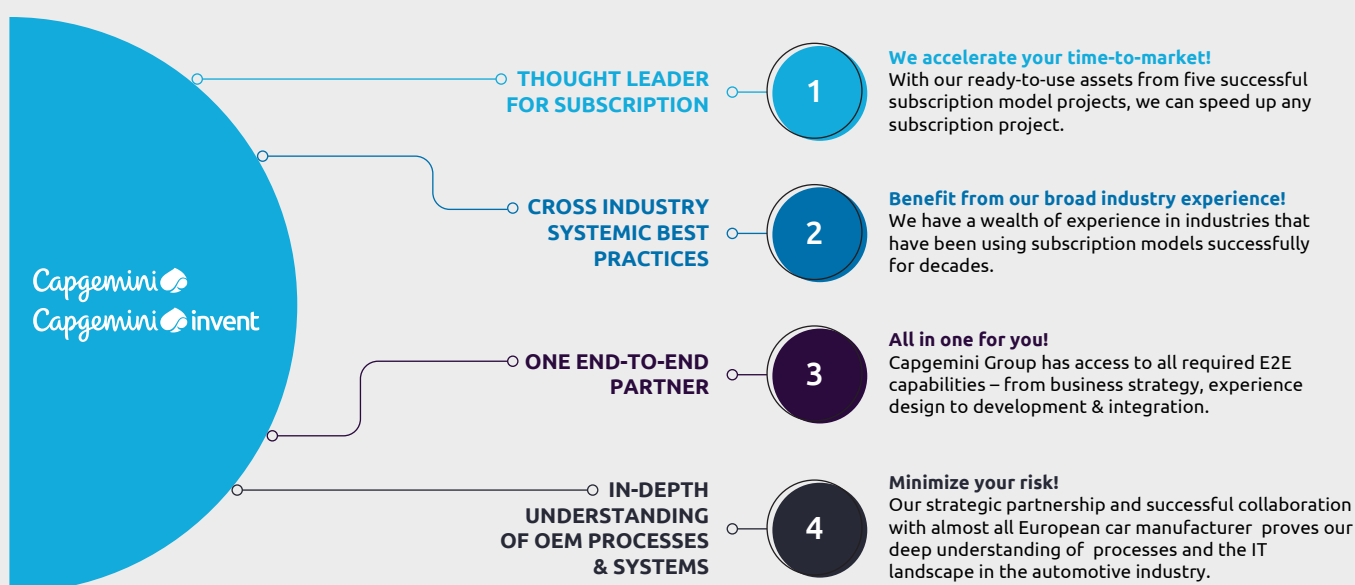
be the consideration of offering a specific type of subscription, including well-thought customer base addressed, effective managed carpool management systems and profit-oriented pricing model. A profound business model should be created subsequently. Usage of Business Model Canvas with its nine building blocks to detail your particular subscription business model. When the business is already running, measuring of success by predefined success criteria needs to be implemented. Monitoring and steering of operations by setting up a KPI framework suitable to measure goal success as defined earlier. Continuously monitor business health and create forecasts to steer your business operations.

# 7 WHY CAPGEMINI INVENT?

Breathing life into a new business model does not come easy, selecting the right partner for this endeavor is key. Doing the right things is only the first step – with Capgemini Invent

you also do it right the 1st time. As a thought leader in digital transformation, Capgemini Invent leverages its core strengths to bring your subscription plans to fruition!

**Building upon our existing experience, we bring your car Subscription model to market – FAST!**



**As thought leader, we live up to our avantgarde identity through a proven track record of subscription publications**

## Blog series

We have analyzed the subscription market more in depth since 2019 and share our observations in an ongoing series of blog entries on our website.



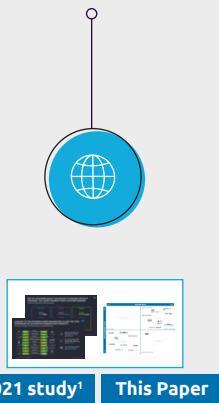
## Customer surveys & CoVid19 impacts

We have been closely monitoring the changing attitudes of subscription customers and the impact the global Covid19 pandemic had on subscription specifically.



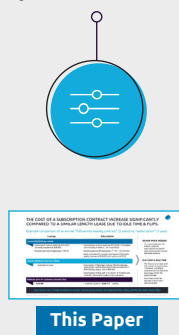
## Market overview & development

We put the entire subscription market under surveillance and keep track of the numerous changes that arise in the emerging subscription market.



## Product expertise

We have analyzed individual subscription products, their weak-nesses and strengths as well as the targeted market niches and have developed a keen under-standing for subscription market dynamics, dos and don'ts.



## Hands-on project experience

We have supported the establishment of a profitable subscription model for a major OEM from ideation to implementation.





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Capgemini Invent is an integral part of Capgemini, a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of over 350,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering, and platforms. The Group reported in 2021 global revenues of €18 billion.

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