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Enabling Tyre-as-a-Service Model for a Global Tyre Company in Europe

Overview

A global tyre manufacturer wanted to adopt a model of selling tyres along with maintenance and service in a subscription-based model. They envisioned the service to be brand agnostic and convenient for both dealers and passenger car owners. Tech Mahindra worked jointly with the client to identify the constraints, design principles, process, and technology required to enable the tyre subscription service model.

Client Background and Challenges

The client is a global tyre manufacturer and has evolved from manufacturing tyres to providing mobility solutions. They wanted to provide their products along with maintenance and service through a subscription model. This was in line with the client's philosophy of providing service, convenience, efficiency, and predictability for their customers. The model would bring in all these for car owners and solve the daunting and expensive problem of buying tyers, changing them across seasons, and ensuring safety and efficiency for various conditions.

However, this product-as-a-service model would come with a diverse set of aspects to be taken care of for the model to succeed. It had to be feasible by technology and desirable to tyre dealers and consumers, it also had to factor in market parameters like changes in the rubber market and its impact, and so on.

Our Approach and Solution

Tech Mahindra started with design thinking workshops for stakeholder alignment and working jointly with the client to identify the constraints and come up with solutions. Some of the design principles we jointly focused on were:

- ▶ Be user-friendly for the consumers and tyre dealers and provide them with a seamless omnichannel experience

- ▶ Be brand agnostic – allow to select of any premium tyre brand

- ▶ Help the client roll out the service smoothly without increased CAPEX of maintaining a separate inventory while ensuring real-time trading for the dealers

TechM began agile product workshops to present the idea on the business and technology capabilities, validate with business and IT teams on feasibility, and produce a sprint-wise grooming of features/product backlog. This enabled the solution to be designed, architected, and built in an agile fashion (sprints of 2 weeks), and aligned with a well-thought-through and sequenced roadmap in line with the design principles.

The Solution:

We built an integrated e-commerce platform, connecting customers, resellers, and service providers offering products/services in a subscription model. This was done on Microsoft Dynamics 365 enterprise resource planning (ERP) solution at the backend and Azure apps serve as a frontend portal for customers and resellers.

The solution leverages an existing network of client's dealers, and embeds it into their existing application, allowing dealers to quickly check for prices and availability of various subscription plans with the consumer in real-time and transact with the consumer in the dealership in real-time. The consumer buys this service at the time of purchasing the tyre and will be charged on a usage billing basis with their authenticated credentials and banking account.

Key Features of the Solution

- Define a complex pricing model, based on the product, customer segment, or region.

- Apply promotion or discount to the consumer based on the product segment, customer segment, and region.

- Activate and manage rental subscriptions.

- Create service orders related to leased assets, order services, and items from third party suppliers, keep track of actual service cost and price, invoice services to customers, review, and schedule work orders in real-time.

- Manage product replacement/ repair and warranty during the contract cycle.

- Automate the account payable process with a three-way matching of dealer invoices and handling auto-approval based on the limit configured.

- Automate the credit decision process by running a decision logic that auto approves, auto declines or refers the credit application to the credit officer/customer care.

- Integrate external applications for real-time customer ID verification to prevent fraud, payment gateways for fee collection, signature documents for contracts, and other related documents for consumers.

- The solution enables smart decision-making by providing daily reports of the sales performance by network, rim, brand, and by thread pattern (which determines fuel efficiency).

Business and Community Impact

The solution enables a direct connection with the consumer, not just bringing about advocacy and retention for the business, but also revenue increase on the sales and service side (like oil change, tyre maintenance).

It serves over 10,000 customers per month with a customer satisfaction score of 4.5.

The platform closes the loop of customer engagement in less than 3 minutes from the product selection step to payment/contract signature.

The subscription model is offered by over 1000 stores in France alone and now it is also offered in UK, Italy, Spain, and Germany.

Enables an ecosystem play (customers, resellers, dealers, peer brands) without cannibalizing peer brands. It also offers an excellent user experience with omnichannel accessibility.

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