

# Innovation in the Rental Car Space

## Mobileye® Customer Profile

At the end of 2016 an exciting partnership was forged between Mobileye and Zoomcar – India's first ever 100% "self-drive" rental car company. As opposed to taxis, chauffer services, and ride-sharing options, until Zoomcar's launch in 2013, there was no company in India that rented cars to customers to drive themselves, bringing Zoomcar to the forefront as an exciting new player on the mobility scene. Today, in addition to numerous interesting innovations in technology and business, Zoomcar is [installing](#) Mobileye collision avoidance technology in its entire fleet – an estimated ten thousand vehicles by the end of 2017.

## Interview with Zoomcar founder Greg Moran

**Zoomcar**  
Self-Drive For The Self-Driven



Greg Moran in a Zoomcar. Photos courtesy of Zoomcar.

# The Growing Rental Car Business Case

Originally from the US, **Greg Moran** was working as an investment banker where he got a window into the Indian market and identified what he thought were some significant business opportunities. Together with his friend from the University of Pennsylvania – co-founder David Back – they decided that transport was an area with huge potential and they came up with the idea for **Zoomcar**.

Moran told Mobileye that the changing trends in mobility make a very strong business case for the rental car business, especially in India where self-drive hadn't yet become an option.

“ Indians are changing the way they commute. There has been constant evolution and technology that has been playing its role in simplifying access. As per the Cars Online survey conducted by Capgemini in 2014... 59% of Indians looking to buy a car were open to the idea of an alternative mode of ownership. This was primarily because of the need for greater flexibility, convenience, and lower financial burden.

The average usage of a car in a year is less than 150 days. **Over 200 days a year a personal car sits in your garage depreciating in value and appreciating in cost owing to the maintenance and parking requirements.**

We wanted to meet this inefficiency in the system which adds to the road congestion, parking, environmental hazards and economic burden on the infrastructure available in cities today. **Zoomcar saw an opportunity to disrupt the personal car ownership market and this led us to create a proposition where people could have access to any car they want without buying it.** ”

Zoomcar offers a variety of hatchbacks, sedans, SUVs and luxury vehicles for rent on an hourly, daily, weekly or monthly basis in 14 cities across India and also with all-inclusive prices that account for the cost of fuel, insurance and taxes.

## A New Approach to Car Rental

Moran also found that the idea of short-term self-drive rentals could open up access to a large and growing demographic who would look to car rental in a different way than it had been considered traditionally.

“ **We target an upwardly mobile and young audience, who come to a new city to work and live on their own. Hence, this new use case of weekend travel has come up.** That segment has done very well.

Often a preferred mode of exploring countries abroad, **self-drive holidays are finding takers in the 23-to-35 age group here.** While some of these customers rent cars to drive to relatively predictable destinations like Goa, Manali, Coorg, Kerala there are the adventurous ones who head to Ladakh, Kashmir and other less-explored locations. **The concept of self-drive car rental is different from traditional car rental and has influenced many people who like occasional access to a vehicle of a different type that they use day-to-day. There are customers who hire luxury cars just to attend weddings and parties.**

Another interesting facet of this service is that **increasingly younger working professionals are choosing to rent cars for a month or two, instead of buying new cars.** There's no hassle of EMI payments, maintenance, or insurance. This also enables them to change the car model as and when they please. ”



# ZAP | The Beginning of the Shared Ownership Era

One of the potential business models being discussed to accompany the autonomous car revolution in coming years, is shared ownership, to maximize vehicle utilization. Zoomcar however, is already bringing this idea to life with their marketplace called ZAP. ZAP allows people purchasing a new car to list it as available for lease by Zoomcar whenever it's not in use. Zoomcar takes care of booking, car cleaning and payment processing, and the car owner earns money every time the car is used, and can even track their earnings on the app.

Dubbed the "[Airbnb for cars](#)" by TechCrunch, Moran explains:

“ With ZAP, a customer who buys a new car can enjoy driving it and while they aren't using it, they can earn money from it. The car can be shared with verified Zoomcar customers; community members, office colleagues, friends and perhaps the next door neighbour who waters their plants while they are on vacation.

**ZAP also gives the associate updates about the car's performance and warnings about the car's health along with updates on which parts of the car need to be addressed while servicing the car.** Think about going to an office and then letting others use your car while you're hard at work there, or letting people use your car while you're out on vacation. **Effectively, customers could own their car and have others cover the EMI costs!** ”



Drive. Share. Earn!

An average car remains idle 90% of the time. With ZAP you can buy a new car and earn from it when you are not driving it.

Get Listed



## The Role of Safety

Several factors influenced Zoomcar's decision to take on safety in their fleet in a serious way:

“ The cost of road accidents to India's economy is reckoned at around 3% of GDP, with 141,526 persons killed in 2014 (NCRB, 2015). The National Government is taking proactive measures to combat this tragedy. As a pure play self-drive car rental company, **Zoomcar recognised this as an urgent operational challenge and moral imperative and hence, the partnership between Zoomcar, Mobileye and ICICI Lombard was established.** ”

# How Installing Mobileye is Expected to Influence Business

Regarding the decision to install Mobileye and how it would affect the fleet, Moran said:



Mobileye's devices are expected to prevent accidents caused by lack of attention among drivers. The system primarily provides three warnings-lane departure, headway monitoring and forward collision-using image processing technology. **At Zoomcar, it's critical that we leverage the latest products to ensure the maximum safety and security for our rapidly expanding customer base. With this exciting partnership with Mobileye, we will significantly reduce the number of major accidents in our fleet.** This is enormously important because it helps bolster our community's confidence in the safety of self-drive.

**Over time, our vehicles will remain in even better condition, thereby allowing even more individuals the opportunity to experience the freedom of self-drive.** The purpose of the Mobileye technology is to provide real-time assistance to our customers so they can avoid potentially dangerous accidents. **In addition to the strong support of the Mobileye team, we also welcome the cooperation of a leading insurance like ICICI Lombard. This really demonstrates an industry wide effort to tackle the road safety challenge.** Mobileye has been installed by Zoomcar in the first 40 Mahindra and Ford vehicles starting with the capital, New Delhi, followed by other metro cities in India. **Zoomcar plans to leverage these initial learnings and subsequently add Mobileye ADAS [Advanced Driver Assistance Systems] to over 10,000 cars by the end of 2017.**

We would suggest all transportation companies partner with Mobileye as we expect the technology to significantly reduce the number of major accidents in their fleet.



How have you seen the effect of Mobileye on your fleet so far?



**In the first five weeks of the roll out, Mobileye reduced Zoomcar's accident rate by an astonishing 78%.**



Mobileye Representative Michael Hirsh Unveiling a Mobileye-equipped Zoomcar.



## New Models for Insurance

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The third partner in the project to install Mobileye is ICICI Lombard who are insuring the Zoomcar fleet. Moran explained that:

“ With this exciting partnership with ICICI Lombard, we will significantly reduce the number of major accidents in our fleet. We believe that Mobileye's technology will significantly reduce the possibility of car accidents due to drivers' inattention and therefore **reduce high-severity losses such as third party claims, bodily injuries or damages to the vehicle**. This is enormously important because it helps bolster our community's confidence in the safety of self-drive.

**As a leading insurance company in India, ICICI's endeavor is always to minimize risk and provide better solutions for customers. Globally, insurers underwrite motor insurance on the basis of driving experience and risk attributed to the vehicle/driver. This joint initiative is a step towards such risk-based underwriting.** Customers who adopt Advanced Driver Assistance Systems like Mobileye are not only adopting a new, improved and safer way of travel but possibly saving lives as well! This really demonstrates an industry-wide effort to tackle the road safety challenge.

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## Technology for Performance, Safety & Driver Comfort

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When asked about which additional technological innovations are being incorporated into Zoomcar's fleet, the list of features enabling better vehicle performance and safety goes on and on:

“ Along with this Mobileye collaboration, Zoomcar has introduced a litany of other technological enhancements onto its platform, including most recently, “Cadabra”. Equipped with Bluetooth and 4G cellular connectivity, Cadabra tracks information that includes fuel levels, clutch position, harsh braking, inconsistent acceleration, seat belt usage, and engine health, among others. The solution also offers the possibility of over the air updates (OTA) and will be deployed across ZAP to improve the car ownership experience and help the owner save costs and reduce accidents.

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Cadabra plugs into a car's OBD-II port to provide information like distance travelled, fuel used, clutch performance, and more...**The underlying principle of Cadabra is that allowing access to real-time in-car data makes the driver much safer and much more efficient. Zoomcar shares this common goal with manufacturers and insurance companies across the country. The intelligence of Cadabra helps Zoomcar reduce maintenance and servicing costs while also allowing individuals to better avoid accidents.** Cadabra is fully integrated into the Zoomcar app and allows the company to review and rate trips, keep track of the cumulative driver score, and give tips to improve driving behaviour (in real-time and post trip).

Mobility needs are constantly evolving and so are our customers' expectations to access cars in simple, uncomplicated ways. The time is now to bring the intelligence of the smartphone and other connected hardware to the car. The convergence of these three elements will continue to transform the automotive sector by **enhancing performance, safety, and driver comfort.** This is undoubtedly a stepping stone to even more innovative applications within car rental in the months ahead.

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## Future Growth

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What can we expect to see from Zoomcar in the future?

” **India is certainly the grand-daddy of the market penetration possibilities. The market is expanding exponentially.** In the past two years, the market has evolved and witnessed a huge growth, both in terms of users and service providers. This number is going to grow further, but, we are inching closer to finishing our India growth story and next step is to go international by 2017-end.

There are a lot of opportunities in geographies like Nigeria, Philippines and Indonesia and we also have plans to enter international markets, starting with countries in South East Asia and Africa, and hope that it should materialise by 2018. Currently Zoomcar has 1million+ registered users and 2,300+ vehicles, pan India. Zoomcar will have more than 25,000 cars across 25 cities by 2018. The next big move will be to launch operations in tier II/III cities in the next 12 months.”

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