

MANAGEMENT SUMMARY

Oliver Wyman study on marketing electromobility **Partnerships will recharge customer relationships**

- **E-mobility calls for new marketing models**
- **Strong sales partnerships build customer loyalty**
- **Manufacturers must set their direction now**

A sweeping new approach to marketing is rolling through the electromobility market. As industries grow together and new competitors appear on the scene, an array of disparate sales scenarios, all involving diverse packages of solutions, is arising for automakers. Companies that decide to go it alone will stand no chance. Alliances concluded with the widest variety of partners are essential – from established energy suppliers to start-ups involved in mobility management and the charging process. The e-mobility wave is indeed moving slowly. Nonetheless, OEMs must come up with a clear marketing concept today to prepare for its arrival. The top priority of this work is to lock the interface to the customer into place, according to Oliver Wyman’s new study, “E-Mobility: Partnerships in Sales and Marketing.”

Nothing can stop the electric car now. Of course, it will take time before it begins to leave behind any deep tracks in the mobility landscape. Nonetheless, automakers should begin today to determine the direction that will enable them to be among the front-runners in the e-mobility market. The focal point of this drive will no longer be only the technology used in the electric vehicle and the production of it. Instead, OEMs must now start to wrestle with questions related to marketing electric cars. It will be a job that differs significantly from today’s typical sales process. As the drive system changes and urban residents seriously rethink their attitudes about mobility, the electric car must be wrapped into holistic solution concepts tailored to address the needs of a wide range of customers and regions. This, in turn, will require OEMs to initiate intense, systematic and cooperative working relationships with players in other industries – and, as a result, to overhaul their sales model for the long term.

A focus on infrastructure and operating management

Oliver Wyman has devised seven electric-mobility scenarios that can point the way for OEMs’ marketing strategies. In addition to the vehicle itself, infrastructure and operating management assume a much higher priority. As a result, private charging boxes, public charging stations and, if necessary, specific electricity-supply packages will be needed. Accordingly, all sorts of purchase, rental and leasing models can be employed. In a reflection of these options, an OEM can sell its electric car with a battery or provide the battery to the user as part of a leasing agreement. The purchase of a very expensive battery that has not been fully developed yet poses a major risk to customers. For this reason, it makes sense to have a monthly rate for the battery as part of an electricity-supply package. As a result, everything involving the battery is left up to the manufacturer, including reuse.

In addition, various electricity-supply packages or agreements governing the use of charging stations can be wrapped into bundles that extend all the way to full-service solutions covering all relevant areas for a single leasing rate. To put the wrapping around these packages, automakers will need such partners as electricity suppliers, operating-management specialists or fleet managers. In particular, fledgling carsharing concepts like Daimler's Car2Go or BMW's and Sixt's DriveNow are predestined for use with electric cars. After all, the low-emission cars not only have a positive environmental impact, but are also ideally suited to handle the short trips for which the carsharing model is designed.

Informal partnerships dominate

In fact, e-mobility partnership activities related to marketing are already in full swing in many regions. Oliver Wyman found 93 such announced partnerships last year. In 2007, by contrast, the total was a mere four. In 2010, 76 partnerships were announced in Europe, 43 in the Asia-Pacific region and 30 in the United States. The key reasons behind the intense activities in Europe are emissions pressure, the high pace of e-mobility innovations and a pronounced sense about the impact on a company's image. Up to now, these efforts have involved informal partnerships, which have focused in Europe primarily on the car and electricity suppliers. That is, partnerships between OEMs and electricity providers. Frequently, though, these alliances have also involved full-service agreements that primarily bring together automakers, electricity suppliers and third-party companies to manage mobility and the charging process. The public sector has also become a carsharing partner.

Given the public sector's major role in the development of an e-mobility infrastructure, the study determined that governments are currently the most frequent partner. Another extremely active player is Renault Nissan, followed by RWE, Betterplace, Daimler and Mitsubishi. But given electric mobility's early stage of development, the entire partnership landscape is a very unsettled place. You can't determine right now which partner is best suited for which marketing solution. Everyone can cooperate with anyone. There are no long-range commitments. Trial and error are the order of the day. In a few years, it will become clear which marketing concepts actually address customer needs after more and more electric vehicles produced by various manufacturers have rolled into the marketplace.

Retaining customers

This trial phase by OEMs is tremendously important because all automakers must quickly gain a foothold in the e-mobility arena. They need a clear marketing concept and, depending on the customers and the region, have to put together the right types of solution packages with the right partners. Accordingly, today's partnerships form the cornerstone for sustainably exploring and testing the individual opportunities for partnerships as well as gaining sufficient experience with partners. This interaction among the diverse players has paid off: individual packages of solutions are taking shape. The partnerships that began on an informal basis are also being intensified and are even resulting in cross-ownership. This is a sensible approach to take because it will become increasingly important as time passes to build loyal relationships with the best partners and thus reinforce the alliance and solutions.

One fundamental factor in the success of the OEMs will be the assumption of a leading position within the framework of a partnership. Otherwise, they will run the risk of losing the customer. With the vehicle, automakers still have a firm grip on the core part of the solution. But this fact could mean less and less to customers in the future. After all, electro-mobility will attract players from different industries who will dangle other types of concepts in front of customers' eyes. Today, industry outsiders are putting together packages in which the vehicle is just one part of the solution. In this case, the OEMs no longer have any direct access to the customer. Electro-

OLIVER WYMAN

mobility creates convergence. Looking ahead, the car customer couldn't care less where he or she gets something. For this reason, the OEMs must be the ones calling the shots in partnerships. The winners will be those who are able to defend the interface with the customer.

Contact

Julia Karas
Corporate Communications
Oliver Wyman
Marstallstraße 11
80539 Munich

Tel.: +49 (0) 89 939 49 468

Fax: +49 (0) 89 939 49 515

julia.karas@oliverwyman.com

www.oliverwyman.com/de

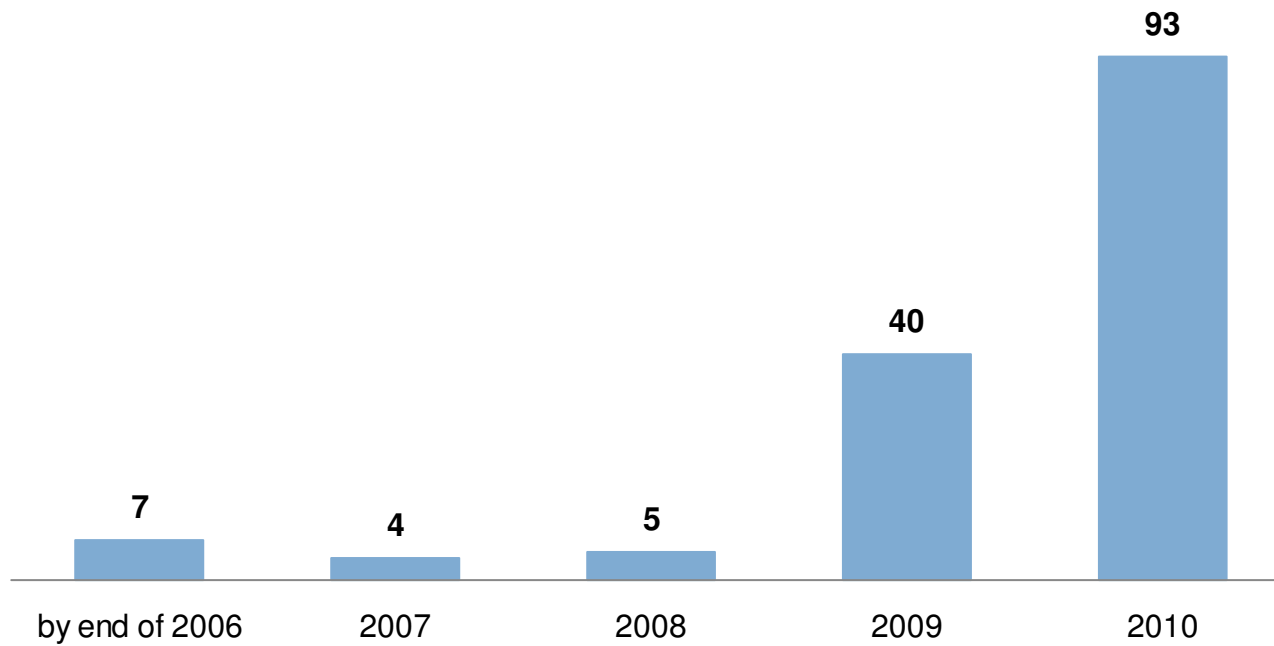
ABOUT OLIVER WYMAN

With offices in more than 50 cities across 25 countries, Oliver Wyman is a leading global management consulting firm that combines deep industry knowledge with specialized expertise in strategy, operations, risk management, organizational transformation, and leadership development. The firm's 3,000 professionals help clients optimize their businesses, improve their operations, risk profile and IT as well as accelerate their organizational performance to seize the most attractive opportunities. Oliver Wyman is part of Marsh & McLennan Companies [NYSE: MMC]. For more information, visit www.oliverwyman.com.

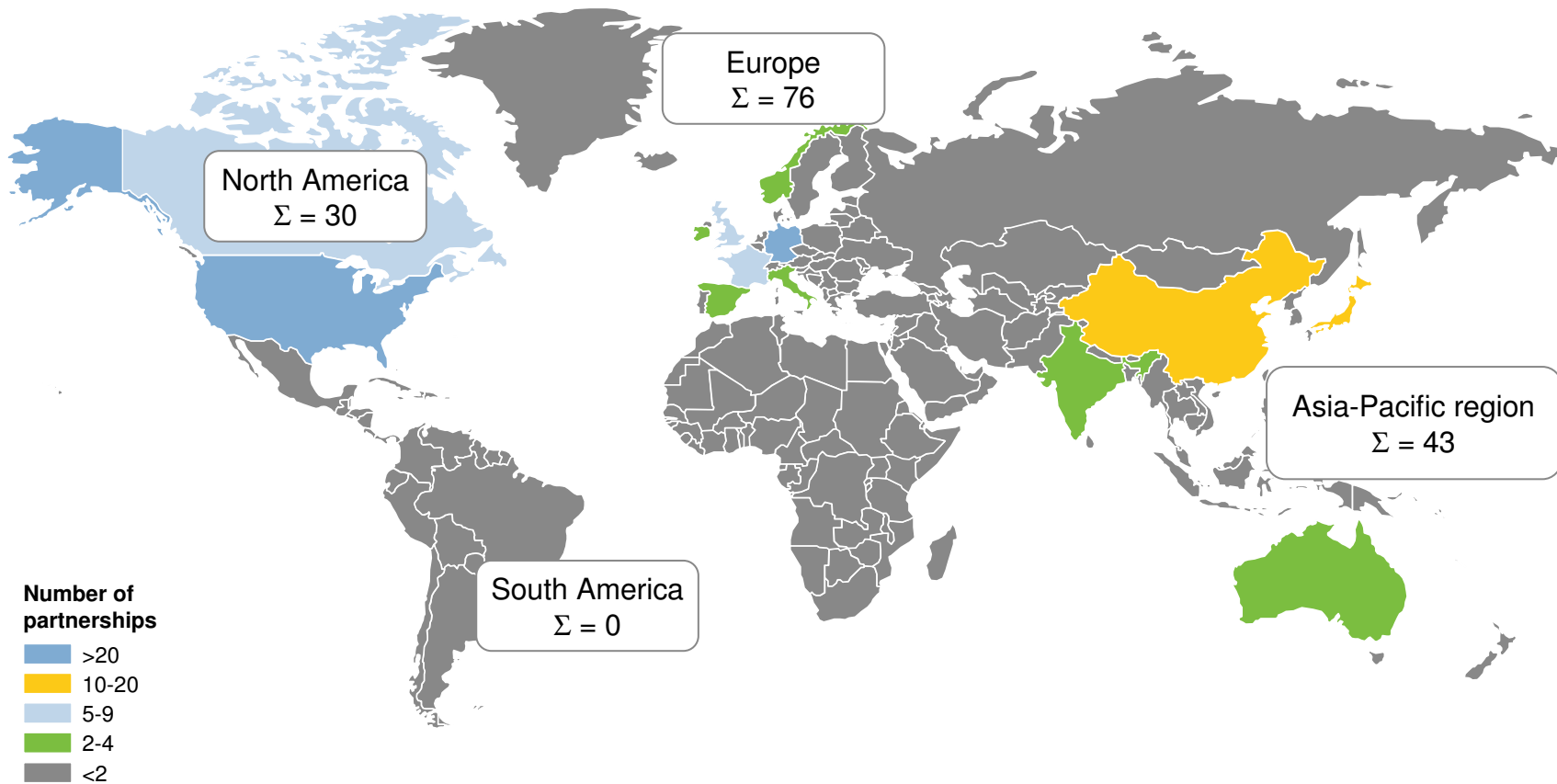
Oliver Wyman is one of the leading strategy consulting firms in the German-speaking world as well, with offices in Munich, Frankfurt, Duesseldorf, Hamburg, Berlin, and Zurich and above-average growth rates. Customers are leading companies from the following industries: aerospace, automotive, financial services, IT, manufacturing, mechanical and plant engineering, media, retail, telecommunications, and transport. They are supported by a worldwide network of experts, allowing us to put together the best possible team for every assignment.



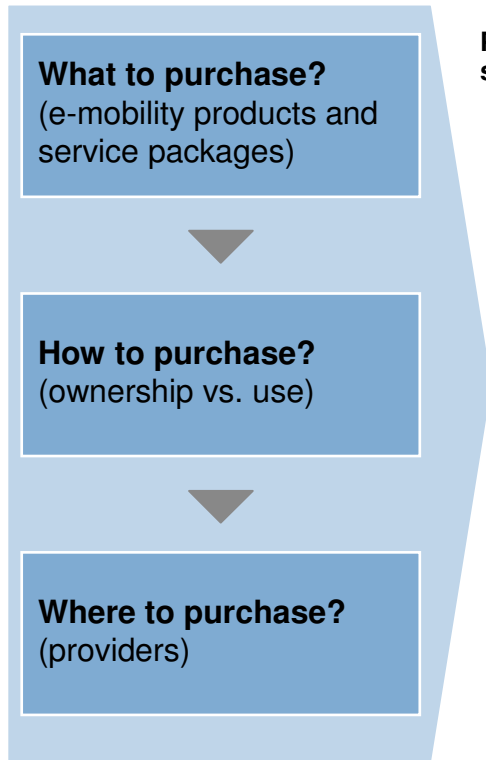
The number of announced e-mobility partnerships rose dramatically in recent years.



The most sales partnerships were announced in Europe through the end of 2010.



Oliver Wyman has identified seven purchasing scenarios that are relevant to the marketing strategies of OEMs.



Purchasing scenario	Products					
	E-car with/without battery	Battery	Public charging structure	E-car public electricity	E-car home-charging box	Home electricity
Intermodal solution	Share (+ other modes of transportation)					
Carsharing	Share					
Home leasing package	Lease				Lease	
E-car full-service leasing	Lease					
Battery leasing	Purchase	Lease				
Home electricity package				Purchase		
Home & public electricity package			Purchase			
E-car purchase	Purchase					

Vehicle package
 Electricity package