**Electric Vehicle Market Segmentation**

**Bharathi Patil (Team Lead)**

**EV Market Segmentation**

**Selection of Target Segment**

* The strategic target segments for the electric vehicle market are identified as Segment 1 (39% of consumers) and Segment 2 (33% of consumers).
* Segment 1's diverse preferences and dissatisfaction points present an opportunity for improving customer satisfaction and loyalty by directly addressing their specific demands. Segment 2 values visual appeal, reliability, service experience, and comfort, offering a chance to customize electric vehicles to meet these expectations and emphasize value for money.
* The strategy involves addressing dissatisfaction points in Segment 1 and enhancing positive elements in Segment 2, aligning electric vehicles with the distinct expectations of each segment to ensure competitive advantage and sustained market growth.

**Customizing the Market Mix**

In our electric vehicle market strategy, customization of the marketing mix is crucial for appealing to Segment 1 and Segment 2, our target segments.

* Product customization involves enhancing features based on specific desires, addressing dissatisfaction points for Segment 1, and emphasizing visual appeal and value for money for Segment 2. Diverse offerings cater to varied tastes and budgets within each segment.
* Price customization includes competitive pricing for Segment 1 and a slightly higher price point for value-added features in Segment 2.
* Promotion customization focuses on targeted advertising and tailored promotional events for each segment's preferences.
* Place customization establishes accessible distribution channels in urban areas for Segment 1 and suburban/semi-urban regions for Segment 2, with a strong emphasis on online presence and customer support.
* People and Process Customization involves training customer service representatives to address segment-specific concerns and ensuring efficient processes for customization requests and service appointments. This tailored approach ensures our electric vehicles align with the distinct needs of Segment 1 and Segment 2, enhancing market relevance and customer preference.

**Potentially Early Market Customer Base**

* In the analysis of the early market customer base, two primary segments are identified: Segment 1 with 330 members (39% of consumers) and Segment 2 with 277 members (33% of consumers).
* The target price range for Segment 1 falls between ₹51,094 and ₹1,67,844, and for Segment 2, it ranges from ₹51,094 to ₹1,37,890. By multiplying the number of potential customers in each segment by the targeted price range, potential profits can be calculated.
* For example, with a target price of ₹1,20,000 for Segment 1, the potential profit amounts to ₹39.60 crores, and for Segment 2 with a target price of ₹1,10,000, the potential profit is ₹30.47 crores.
* Segment 1, being larger in potential market share, is the primary focus for early market penetration efforts due to its significant profit opportunity.

**Most Optimal Market Segments**

* After thorough analysis and evaluation, Segment 1, constituting 39% of consumers, has been identified as the optimal market segment for electric two-wheeler vehicles.
* With a significant customer base and a balanced blend of technical specifications and price range, this segment offers substantial market potential. The recommended technical specifications for Segment 1 include a price range of ₹70,688 to ₹1,29,063, riding range of 89 to 180 km, top speed of 58 to 116 kmph, weight of 76 to 120 kg, battery charging time of 3 to 5 hours, and rated power of 1200 to 5500 W.
* This targeted approach ensures alignment with the diverse needs and preferences of the market, laying the foundation for a successful and sustainable venture into the electric vehicle market.

**Conclusion**

* In summary, our in-depth analysis of India's electric vehicle market led us to identify Segment 1 as the optimal target.
* With a significant 39% consumer base, this segment represents a substantial market opportunity. By tailoring our electric two-wheeler specifications to meet the preferences of this segment, we ensure our products align seamlessly with the demands of a large customer base.
* This strategic decision is grounded in a thorough understanding of market segmentation, consumer behaviour, and technical specifications. These insights provide a clear direction for our market entry, emphasizing precision and relevance in both product development and marketing strategies.
* Moving forward, this approach equips us with a solid foundation, ensuring our offerings resonate effectively within India's evolving electric vehicle landscape.