

# Designing an Online Marketplace for Used Vehicles in India

A comprehensive product design case study exploring how to create trust, transparency, and accessibility in India's fragmented used vehicle market.



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# Clarifying the Challenge



## **Building Trust in Fragmented Markets**

How can we create transparency in an opaque used vehicle ecosystem where buyers fear hidden defects and fraudulent sellers?



## **Establishing Seller Credibility**

How do we verify sellers effectively to reduce fraud while maintaining marketplace accessibility for legitimate dealers?



## **Democratizing Vehicle Financing**

What features ensure easy, accessible financing for India's diverse economic segments and complex credit landscape?



## **Understanding Our Ecosystem**

Who are the key users and stakeholders that drive success in this complex, multi-sided marketplace?

# User Personas

## Ravi, First-Time Buyer

**Age:** 28, Software Engineer

Limited car knowledge, needs financing assistance, fears hidden vehicle defects and complicated paperwork processes.

## Rajesh, Trusted Dealer

**Age:** 42, Car Dealership Owner

Needs efficient lead management, buyer trust signals, and streamlined inventory management tools for his business.

## Sunita, Urban Upgrader

**Age:** 35, Marketing Manager

Experienced buyer wanting quick, transparent transactions with verified sellers and competitive pricing insights.

## Meena, Rural Buyer

**Age:** 31, Small Business Owner

Low digital literacy, requires simple guided processes, and affordable financing options for commercial vehicles.

# Persona Prioritization

1

## Primary Focus

**Ravi & Sunita** represent the largest market segment with highest transaction friction and greatest revenue potential.

2

## Core Pain Points

- Lack of reliable vehicle history creates fear of hidden defects
- Complex financing processes lead to lost sales opportunities
- Seller trust issues generate fear of fraud and scams

*"I want to buy a used car, but I'm terrified of getting cheated or buying something with hidden problems. The whole process feels overwhelming."* — Ravi, First-Time Buyer

# Solution Framework



## Vehicle History Checks

Integrated reports from trusted databases including accident records, ownership history, service records, and legal clearance verification.



## Trusted Seller Verification

Comprehensive KYC checks, seller rating systems, verified dealer badges, and transparent review mechanisms for buyer confidence.



## Easy Financing Options

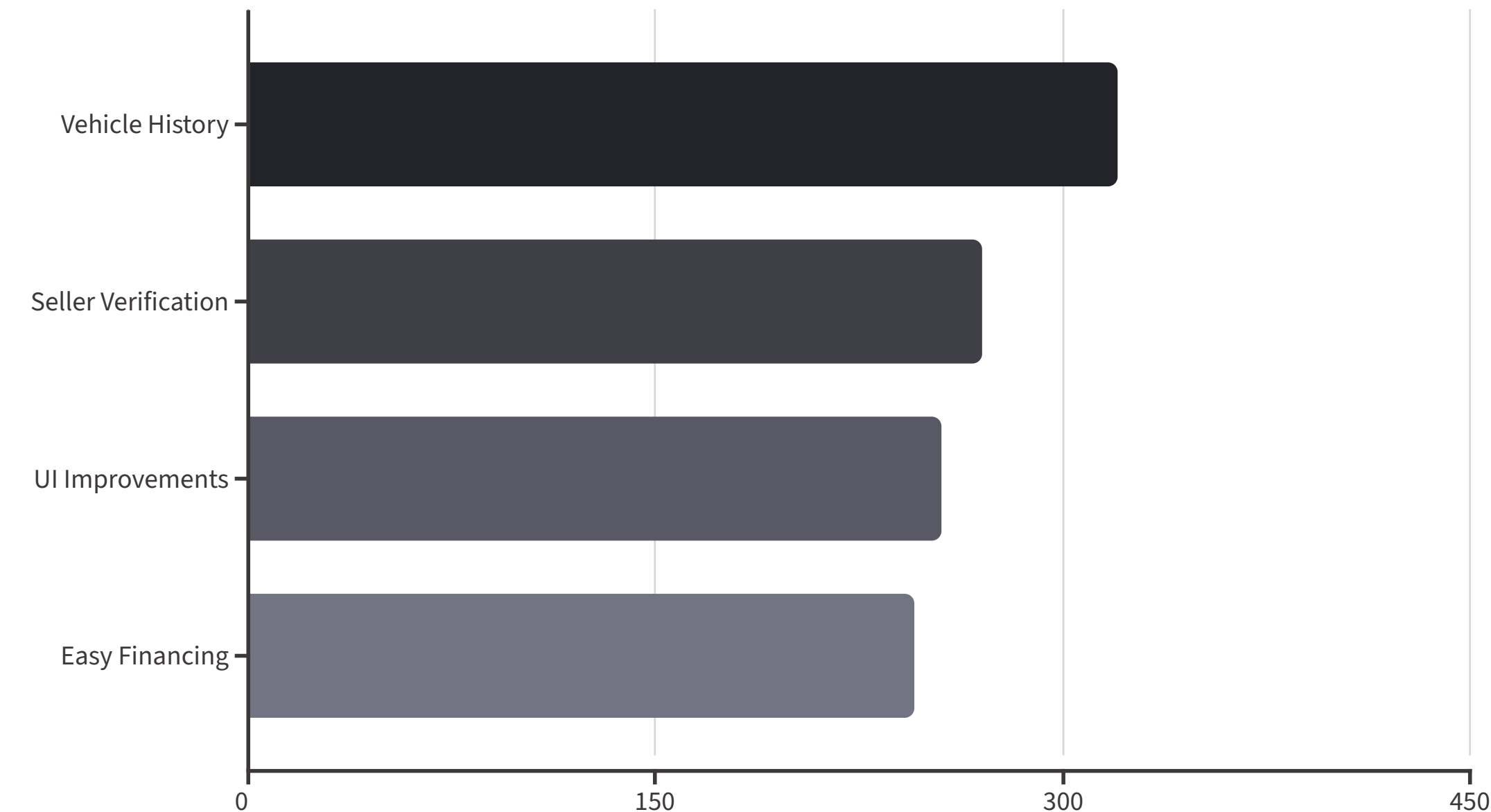
Instant loan pre-approvals, EMI calculators, partnerships with multiple lenders, and flexible payment terms for diverse credit profiles.



## User-Friendly Interface

Simplified search filters, guided workflows for low-literacy users, multi-language support, and voice-assisted navigation features.

# Solution Prioritization (RICE)



01

## Phase 1: Trust Foundation

Implement Vehicle History Checks and Seller Verification to establish marketplace credibility

02

## Phase 2: User Experience

Enhance UI/UX for accessibility across diverse user segments

03

## Phase 3: Financial Integration

Streamline financing options to reduce purchase friction, include escrow payments

# Core Value Proposition

## Trust & Transparency

- Verified sellers
- Full vehicle history (RC, insurance, accident reports, ownership)

## Affordability

- Integrated financing
- EMI calculators

## Convenience

- Easy search
- Filters
- Doorstep inspection & test drives

# Key Features

## Vehicle Discovery

- Advanced filters: brand, model, year, km driven, price, fuel type, transmission, RTO region.
- AI-powered recommendations based on budget and preferences.
- “Compare Vehicles” option (specs, price, resale value, ownership costs).

## Vehicle History & Trust Layer

- Comprehensive vehicle history (RTO records, service history, independent inspection reports).
- RC check integration with Vahan database (RTO).
- Transparent accident history and damage assessments (including insurance claims via insurers).
- Seller verification (KYC, Aadhaar, PAN, GST for dealers) and "Trusted Seller Badge" after background verification.

## Financing

- Integrated financing options with multiple lenders.
- Real-time EMI calculators and payment plan simulations.
- Pre-approved loan offers based on user profiles.
- Simplified digital application process and documentation.
- Support for diverse economic segments and credit scores.



# User Journey



Each touchpoint designed to reduce friction, build confidence, and ensure seamless progression toward successful vehicle purchase.

# Monetization Model

1

## Transaction Commission

A percentage-based commission levied on every successful vehicle sale facilitated through the platform, aligning our success with marketplace growth.

2

## Premium Seller Services

Subscription tiers for professional dealers, offering enhanced listing visibility, lead generation tools, and advanced analytics for their inventory.

3

## Value-Added Services (VAS)

Fees for essential services like pre-purchase vehicle inspections, financing facilitation, extended warranties, and insurance packages offered to both buyers and sellers.

4

## Financing Commission

Revenue share agreements with partner banks and Non-Banking Financial Companies (NBFCs) for facilitating vehicle financing through the platform.

5

## Dealer SaaS Tools

Subscription-based access to specialized software-as-a-service (SaaS) tools for dealers, including inventory management, lead tracking, and performance dashboards.

# Competitive Benchmark

## Current Market Leaders

Cars24 and CarWale focus primarily on financing solutions and basic vehicle listings without comprehensive trust verification.

## Our Unique Differentiators



### Comprehensive Trust and Transparency

Integrated seller verification with detailed vehicle history reports and doorstep inspections.



### Tailored Financing

Solutions designed for India's diverse economic and credit landscape.



### Inclusive Design

Multi-language support and guided workflows for all literacy levels.

"While competitors focus on volume, we're building the most trusted and accessible used vehicle marketplace in India."

The image displays two smartphones side-by-side, showcasing the 'Used Car' application interface. The left phone is on the 'Finances for Results' screen, which includes a search bar with the text 'All Cool luxury vehicles Switch', filter buttons for 'Finance', 'Lease', and 'Finance', and a list of car offers. The right phone is on the 'Financing Car' screen, showing a car image, the text 'Financing Car', and details about the car's price and financing options.

# Key Metrics to Measure Success

<div><div>User Growth &amp; Engagement</div><div><ul style="list-style-type: none"><li>Monthly Active Users (MAU) / Daily Active Users (DAU): Measures traction.</li><li>DAU/MAU ratio (Stickiness): Percentage of monthly users coming back daily.</li><li>Time spent per session: Higher indicates more engaged browsing.</li><li>Number of searches &amp; filter usage → shows demand exploration.</li></ul></div></div>	<div><div>Listings &amp; Supply Health</div><div><ul style="list-style-type: none"><li>Active Vehicle Listings → total inventory available.</li><li>Verified Listings % → % with history checks &amp; trusted seller badges.</li><li>New Listings per Month → marketplace growth.</li><li>Average Vehicle Age / Price Range → supply quality.</li></ul></div></div>	<div><div>Buyer Demand &amp; Matching</div><div><ul style="list-style-type: none"><li>Buyer Leads Generated per Listing → demand/supply balance.</li><li>Test Drive Bookings → conversion intent.</li><li>Lead-to-Transaction Conversion Rate → % of leads becoming sales.</li><li>Average Time to Sell → liquidity of marketplace.</li></ul></div></div>
<div><div>Monetization Metrics</div><div><ul style="list-style-type: none"><li>Take Rate → % revenue from each transaction.</li><li>ARPU (Average Revenue per User).</li><li>Revenue Split → ads, premium listings, financing, insurance.</li><li>Financing Attachment Rate → % of buyers opting for loans.</li><li>Insurance/Warranty Attach Rate → cross-sell strength.</li></ul></div></div>	<div><div>Unit Economics</div><div><ul style="list-style-type: none"><li>Customer Acquisition Cost (CAC).</li><li>Customer Lifetime Value (LTV).</li><li>CAC : LTV Ratio (target &gt; 3:1 for healthy growth).</li><li>Gross Merchandise Value (GMV) → total vehicle sales value.</li><li>Take Rate × GMV = Revenue.</li></ul></div></div>	<div><div>Geographic Penetration</div><div><ul style="list-style-type: none"><li>Active Cities.</li><li>City-wise Liquidity (supply vs. demand).</li><li>Tier-1 vs Tier-2 adoption split (since used cars are hot in Tier-2).</li></ul></div></div>

**Additional Metrics:** Net Promoter Score (NPS), app store ratings, customer support ticket resolution time, and repeat user percentage.

# Summary

01

## Research Foundation

Deep user research identified trust and financing as fundamental barriers to used vehicle purchases in India

02

## Strategic Prioritization

RICE framework analysis guides development focus for maximum impact and feasibility

03

## Success Measurement

Comprehensive metrics framework tracking trust, conversions, and transaction growth

- ✓ **Vision:** Empower millions of Indians to buy used vehicles confidently and conveniently through our trusted online marketplace.

## Next Steps

- Prototype core trust features
- Conduct usability testing with target personas
- Iterate based on user feedback
- Establish key partnerships with lenders and verification services

