



Xoto Inc. – Expansion into Latin America





Xoto Inc.

Xoto Inc. manufactures and develops three-wheeled electric vehicles at an affordable price. Xoto is a revolutionary three-wheeled light utility vehicle that delivers astonishing stability, maneuverability, safety, and eco-friendly functionality. It upgrades electric motorcycles with a leaning improvement for safer driving. The two back wheels lean and adjust as you turn, that makes riding a 3-wheeler feel like riding a 2-wheeler.

<https://www.xotoinc.com/about-us>



Mission, Vision, & Values

Mission: To design and manufacture electric vehicles that are affordable, reliable, and environmentally friendly.

Vision: To create a world where transportation is sustainable and accessible to everyone.

Values: Sustainability, Innovation, Accessibility, Reliability, & Customer Satisfaction



SWOT ANALYSIS

Strengths: Innovative technology and increasing demand for electric vehicles.

Weaknesses: Lack of brand awareness and limited market presence, high production costs, higher vehicle costs than competitors, limited range compared to traditional vehicles, and limited charging infrastructure.

Opportunities: Growing demand for sustainable transportation, government incentives for electric vehicle adoption, and partnership opportunities.

Threats: Competition from established automakers, changes in government regulations, and fluctuating commodity prices.

Xoto Founder's Edition

Product differentiation: Xoto Inc. differentiates its products from competitors by offering unique features such as three-wheeled motorcycles instead of two.

Cost leadership: Xoto Inc. should focus on reducing costs to offer its products at a lower price point than competitors. Xoto should also offer finance options to customers to make electric vehicles more accessible and affordable.

Price: \$7,499.00





Target Market & Segmentation

Target market: Individuals and businesses looking for sustainable transportation options.

Start with a niche market: Xoto Inc. should focus on a specific market segment, such as urban commuters or environmentally conscious riders, to establish a foothold in the market.

Segmentation: Urban dwellers, college students, commuters, environmentally-conscious consumers, early adopters of new technology.

Xoto should focus on distributing to consumers in areas where there is high traffic and a high percentage of commuters (Latin America) .

- Bogota, Colombia
 - 28.7% of consumers travel by motorcycle
 - 20.2% travel by bike
 - Only 8.8% of consumers own a car

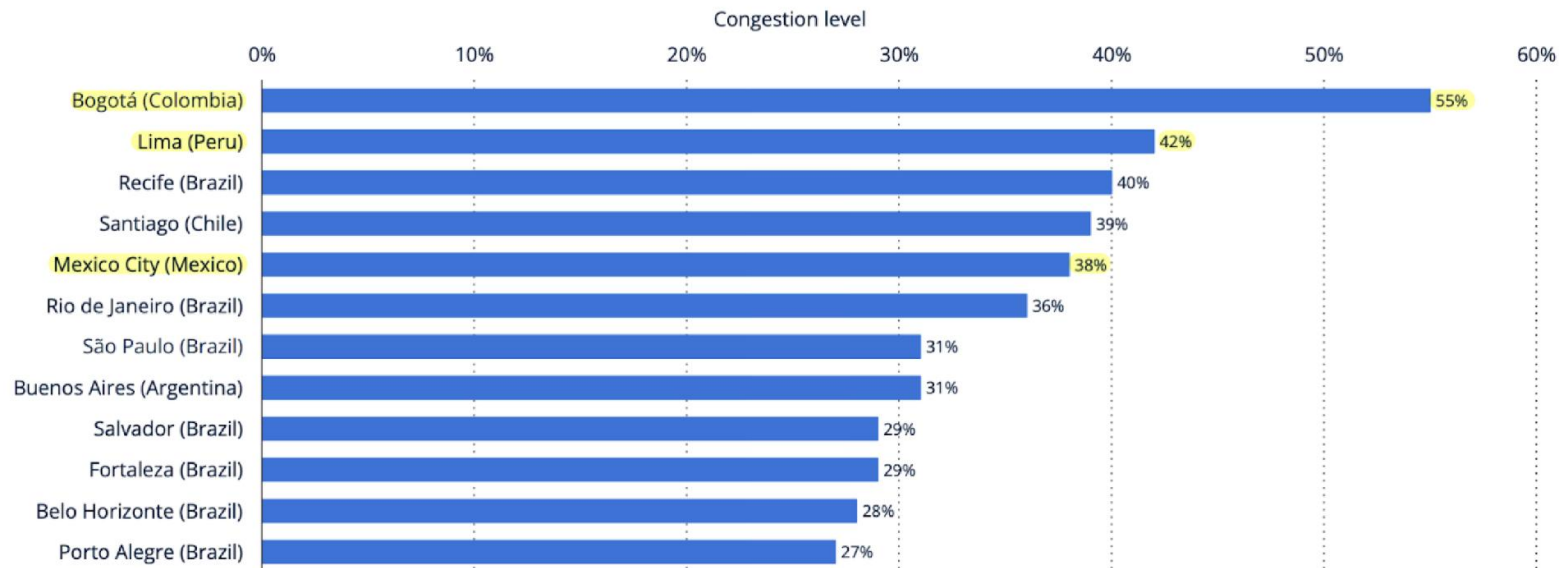


Top Three Cities – Mexico City, Lima, & Bogotá

	Country Population	City Population	Target Potential Customers <small>(pop * % pop over poverty line)</small>
Mexico City	126,700,000	8,840,000	4,420,000
Lima	33,730,000	9,886,866	7,326,168
Bogotá	51,520,000	8,181,047	5,187,390

Traffic congestion levels in selected Latin American cities in 2021

Urban traffic congestion levels in Latin American cities 2021



Description: The city of Bogotá, Colombia, ranked first as the Latin American metropolis most prone to traffic jams in 2021. According to the index, the Colombian capital experienced an average traffic increase of 55 percent during rush hours. Peru's capital, Lima, recorded the second worst congestion level that year, meaning that driving in the city took around 42 percent longer at peak time than under low traffic conditions. Out of the top 12 Latin American cities evaluated in 2021, seven are located [...]. [Read more](#)

Note(s): LAC, 2021

Source(s): TomTom

Mexico City

GDP – \$175.8B

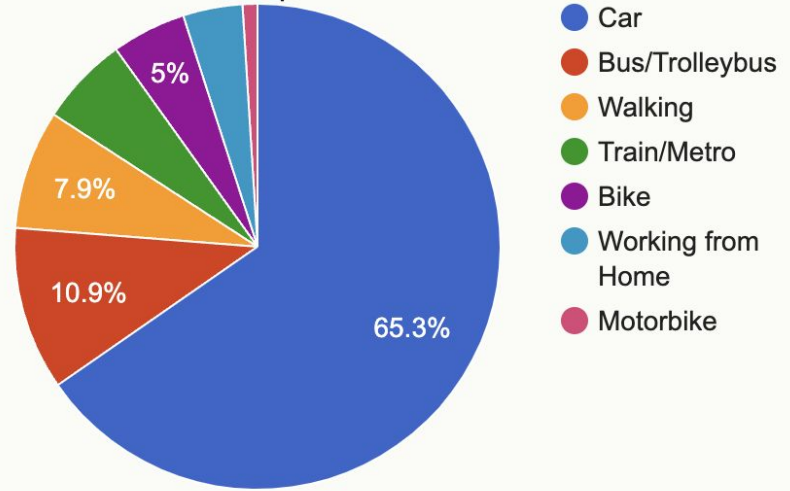
Average Annual Income – \$80,260

Poverty Rate – 33%

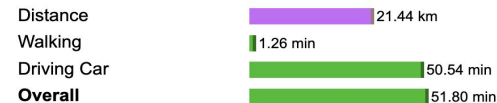
Average Age - 35

An emerging motorcycle market

Main means of transportation to work/school in Mexico City



Average when primarily using Car



Average when primarily using Motorbike



"Traffic in Mexico City." Numbeo, 1 Jul. 2023,
www.numbeo.com/traffic/in/Mexico-City. Accessed 31 Jul. 2023.

Mexico City Competitive Landscape

Xoto's Competitive Landscape in Mexico

	Patented Leaning Mechanism	Safe Driving Stability Ranking	Balanced Traction in All Wheels	Safe Cargo Carrying Capability (Pounds)	Maximum Speed	Basic MSRP
XOTO	YES	5	Yes	350	45mph	\$7,499
Mastretta MX3	YES	5	Yes	440	30mph	\$1,000
CSC Monterey Electric Scooter	no	4	Yes	450	30mph	\$2,395
Cake Kalk	no	3	Yes	350	56mph	\$14,860
Kolter ES1	no	3	Yes	400	76mph	\$6,000

Mastretta MX3



Cake Kalk



Kolter ES1



CSC Monterey Electric Scooter



Mexico City Entrance Strategy

Recommendation

Market Xoto as an innovative utility vehicle. The “daily driver of the future”.

Differentiation

Price conscious replacement for cars.

Capable of taking the place of a second car for families.

Lower time spent in traffic.

Emphasize safety and sustainability.



Why we Believe in this strategy

- Demographic
 - Young, Well paid
- Location
 - Congestion, Short routine commutes
- Culture
 - Adventurous, Nature, Night Life
- Quality
 - Reliability, Luxury, Affordable



Lima

- 3rd worst congested city in the world
- Population - 9,886,866
- Target potential customers - 7,326,168

Urban population: 78.9% of total population

Air pollution

Deforestation

The Cities With The Worst Traffic Congestion

Percentage of extra travel time due to congestion in 2018*



* 0% = uncongested free flow of traffic



@StatistaCharts Source: TomTom Traffic Index

Forbes statista

CONGESTION LEVEL BY TIME OF DAY

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
12:00 AM	1%	0%	1%	2%	5%	4%	10%
02:00 AM	4%	0%	0%	0%	0%	0%	2%
04:00 AM	1%	0%	0%	0%	0%	0%	0%
06:00 AM	0%	0%	0%	0%	0%	0%	0%
08:00 AM	2%	39%	40%	40%	38%	35%	13%
10:00 AM	6%	77%	82%	80%	78%	72%	23%
12:00 PM	9%	84%	93%	91%	80%	81%	33%
02:00 PM	13%	64%	77%	76%	72%	69%	41%
04:00 PM	18%	57%	64%	64%	62%	61%	52%
06:00 PM	23%	48%	58%	60%	59%	61%	63%
08:00 PM	27%	46%	54%	57%	55%	60%	67%
10:00 PM	28%	46%	52%	57%	54%	62%	69%
12:00 AM	23%	44%	49%	53%	50%	60%	59%
02:00 AM	20%	54%	59%	62%	60%	69%	49%
04:00 PM	23%	61%	67%	70%	68%	78%	48%
06:00 PM	30%	76%	85%	86%	87%	90%	50%
08:00 PM	36%	97%	104%	108%	103%	106%	57%
10:00 PM	37%	88%	97%	108%	98%	99%	57%
12:00 AM	29%	58%	64%	70%	68%	72%	47%
02:00 AM	21%	37%	41%	47%	46%	53%	38%
04:00 PM	15%	26%	30%	36%	35%	41%	32%
06:00 PM	6%	13%	16%	20%	19%	26%	22%

Economic Environment - Lima

GDP - \$421.937 billion

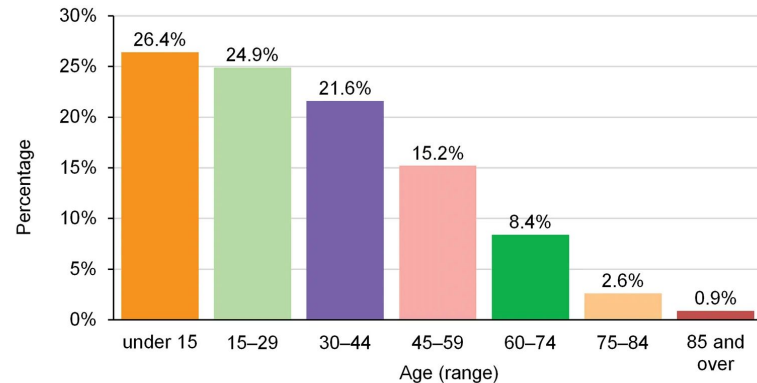
Inflation rate - 4.27%

Average Annual income - \$12,300

Poverty Rate - 42.7%

Average age - 23

Peru age breakdown (2017)



Lima - Challenges

- Infrastructure Challenges - Road may not be well suited for electric scooters potholes, lack of bike lanes, etc
- Regulatory hurdles - Entering a new market involves understanding and complying with local regulations, which can be time-consuming and costly
- Economic conditions - If Lima is experiencing economic downturns, people may be less willing to spend on non-essential services like electric scooters



Lima Entrance - Business Recommendations

Lima Offers

- Urban mobility demand
- Early entry advantage

What Xoto needs to do

- Collaborate with Local Businesses
- Strategic Partnerships
- Lower cost



Bogotá Financial Information

GDP – \$60,379,810

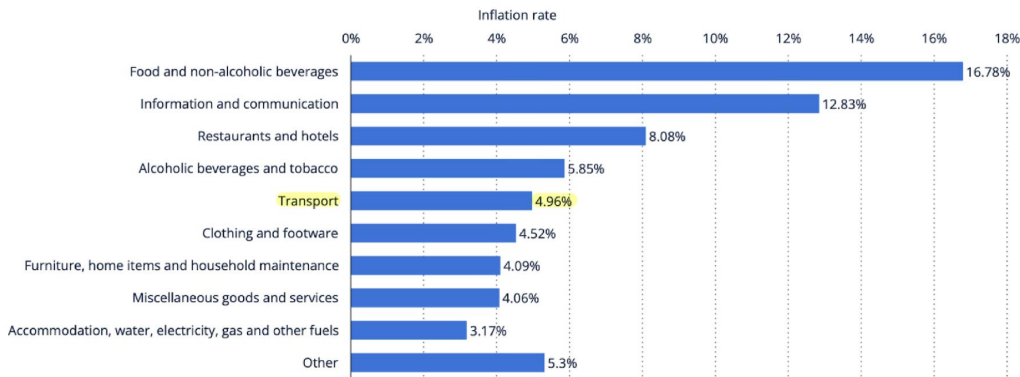
Average Annual Income – \$11,570

Poverty Rate – 35.8%

Inflation Rate for Transportation – 4.96%

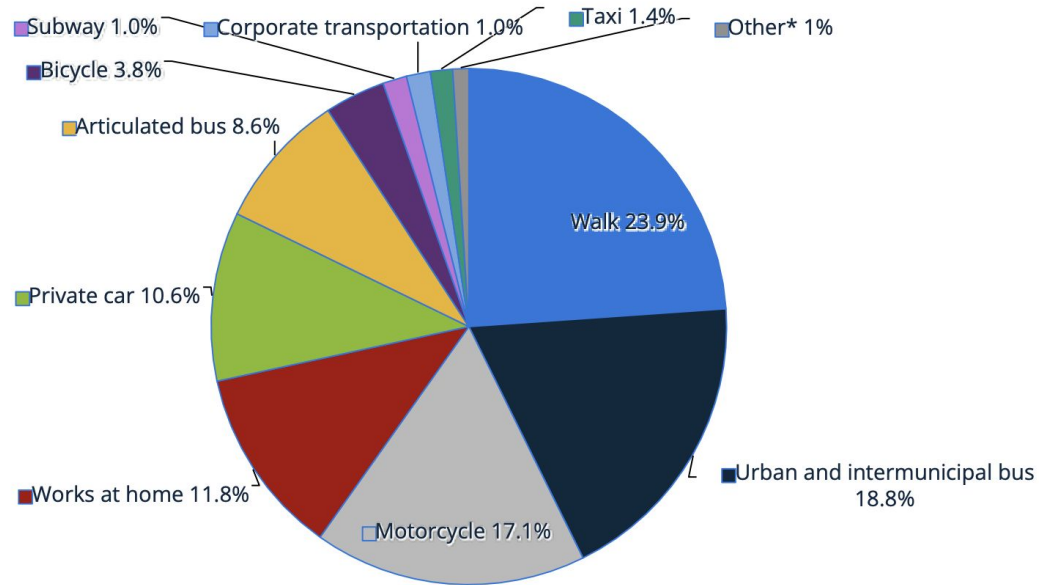
Goods and services with the highest inflation rate in Bogota in 2021

Highest inflation rates for goods and services Bogota 2021



Description: In 2021, the most significant increase in price goods in Bogotá was for the food and non-alcoholic beverages with a 16.78 percent. Followed by the information and communication area with still a high scale up in service cost with 12.83. [Read more](#)
Notes: Colombia, 2021
Source: DANE (Colombia); Observatorio de Desarrollo Económico (Bogotá); Secretaría de Cultura, Recreación y Deporte (Colombia)

Preferred Mode of Commuting to Work in Colombia

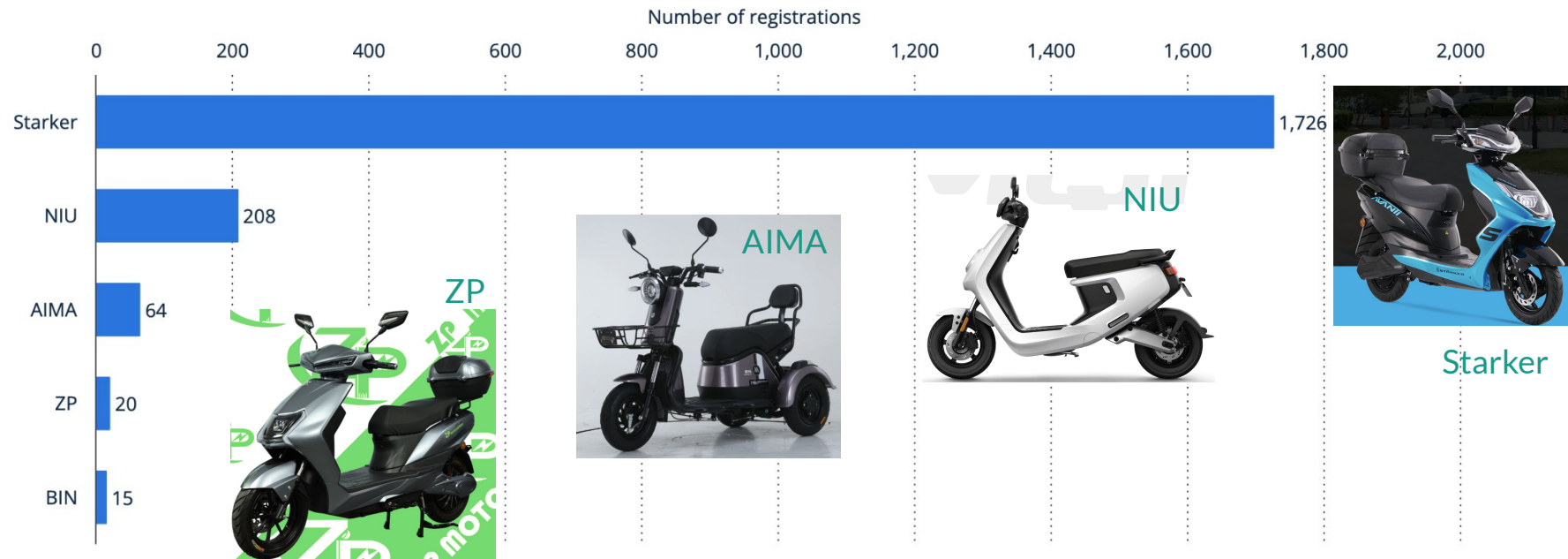


Bogotá Competitive Landscape

	Patented Leaning Mechanism	Balanced Traction in all Wheels	Safe Cargo Carrying Capability (Pounds)	Maximum Speed (mph)	Basic MSRP
XOTO	Yes	Yes	350 lbs	45 mph	\$7,499
Strong Avanti S (Starker)	No	Yes	N/A	27 mph	\$5,249
MQi+ (NIU)	Yes	Yes	486 lbs	28 mph	\$7,690
3wheels of Fashion and Leisure Tricycle (AIMA)	No	Yes	440 lbs	37 mph	\$410 /piece (70 piece minimum order: \$28,700 min)
ZP19L (ZP Motos)	No	Yes	330 lbs	40 mph	N/A

*N/A information unavailable

Leading Electric Motorcycle Brands in Colombia



“The first is a commitment to **innovation, technology, social inclusion, sustainability**, and **accessibility**, while the second focuses on consolidation Bogota Region as a scenario that enhances the offer for the MICE segment [Meetings, Incentives, Conferences, and Exhibitions], responds to the **new business reality**, to the **revitalization of the local economy**, and to the work of dissemination and promotion of these events, for which its organizers **chose Bogotá as a venue and business platform**”

– MENAFN Press Release 2023

Business Recommendations for Bogotá Entrance

Selling Xoto's motorcycles as privately owned vehicles at a lower cost

*extra battery being an add on option rather than coming with the vehicle

- Remedy congested traffic issue
- Promote sustainability
- Offer a fun, innovative way to commute to work in urban areas





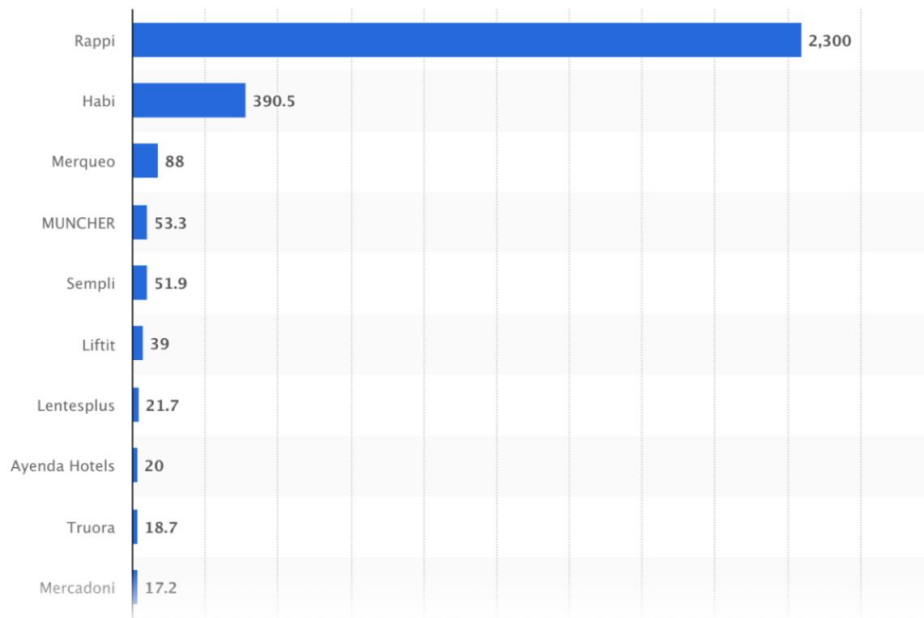
Business Recommendations for Bogotá Entrance

Providing fleet vehicles to emerging delivery service start-up in Colombia: Rappi

Statista. "Funding Amount of Selected Startups in Colombia as of November 2022 (in Million U.S. Dollars)." Statista, Statista Inc., 14 Nov 2022, <https://www-statista-com.electra.lmu.edu/statistics/1049595/colombia-leading-startups-attracting-investment/>

- Appeal to societal push for sustainability while still prioritizing convenience

Funding amount of selected startups in Colombia



Thank you!
