

Ather Energy's Trial by Fire on its Electric Vehicle Startup Journey in India

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Abstract

Tarun Mehta and Swapnil Jain, two IIT Madras graduates, launched Ather Energy Private Limited in 2013. The founders thoroughly analyzed the EV industry and tried to ascertain whether they could produce battery packs specifically for the EV market. Since battery connectors were essential to a car's operation, Ather's team created tiny, portable charging connectors and was granted a patent. Because charging outlets were hard to come by and long-distance travel caused anxiety for customers, the company opted to concentrate on long-range battery life. Ather had to move quickly as rivals began to join the market with less expensive imports. Battery pack fire accidents exacerbated the issue. The case examined Ather's team's efforts to create and sell an electric car from the ground up, leveraging their retail background to increase sales despite several obstacles.

Practical Implications : The case discussed the three main strategic decisions that startups must make: whether to "build versus buy" while maintaining quality, whether to focus on the customer experience as the best form of retail, and whether to focus on customers for the rest of their lives to foster loyalty and steady revenue streams.

Originality : A fresh viewpoint on Ather's startup experience, which was not previously explored in research, was addressed in the case study.

Keywords : electric vehicles India, Ather Energy, retail experience, entrepreneurship

Paper Submission Date : September 30, 2022 ; **Paper sent back for Revision :** August 11, 2023 ; **Paper Acceptance Date :** November 15, 2023 ; **Paper Published Online :** January 15, 2024

The automotive industry created electric vehicles (EVs) as an affordable and sustainable response to the environmental issues associated with petroleum-based modes of transportation (Veena & D'Souza, 2017). A few years ago, several companies tried to break into the Indian EV market, starting in the mid-1990s. In 1996, Scooter's India Pvt. Ltd. developed the Vikram Safa, the first three-wheeled electric vehicle. Later, BHEL came up with an eighteen-seater electric bus in 2000. However, demand for EVs was not sustained for longer because of low battery profile, high cost, low range, and low speed. Environmental concerns rose as gas-powered vehicles emitted enormous amounts of smoke, affecting the environment.

Evaluating the market demand, Hero Motorcycle partnered with Ultra Motor and rolled out a series of bikes in 2007. Gradually, several companies, including TVS Motor, Hero Electric, and Electrotherm, started manufacturing EVs. The "low-hanging fruit" of e-mobility in India is the adoption of electric two-wheelers, which were encouraged by the price of gasoline surpassing INR 100 in March 2022. Interest in electric cars increased as a result ("Electric vehicles: Where it all started," 2021).

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Ather Energy Private Limited was established in 2013 as a start-up by Tarun Mehta and Swapnil Jain, two IIT Madras alumni. They thoroughly analyzed the EV industry and tried to ascertain whether they could produce battery packs for the EV market. But the more customers they served, the more they understood there was a gap in the product rather than the technology. At that time, only a few companies produced electric scooters for the Indian market; they did not create anything from the ground up. Conversely, most businesses purchased components from China and assembled the entire product in India. Ather thought this was a chance and a product was needed for the Indian market (Bhatt, 2019).

An early investor was enthusiastic about the initiative when the concept of placing electric two-wheelers on every Indian roadway was put out. That being said, Mehta was not pleased with the proposition when the investor suggested investing in an already-existing Honda scooter brand named Activa and turning it into an electric scooter. He believed an electric car ought to be created from the ground up. As a result, the investor's relationship ended. The search for investors for a smart electric scooter continued. Everyone he encountered gave him advice, the majority of which was negative: "Don't produce a product," "Don't construct technology," and "There is no market in India for such a product" (Singh, 2021).

Ather Energy received INR 4.5 million in April 2014 from the Department of Science and Technology's Technology Development Board. Flipkart made a \$1 million investment in the business in December 2014. Hero MotoCorp invested 420 crores in Ather Energy during the 2020 COVID epidemic, marking their fifth investment with Ather. HeroMoto Corp was the first to use Ather's Charging Technology, which made Ather's products more reliable in the market ("Hero MotoCorp invests Rs 420 crore," 2022).

One of the most important and visible outcomes of the agreement between Hero Motocorp and Ather was expanding Ather's production capacity from 1.20 lakhs to 4 lakh units per year. They captured those figures with Ather's new second facility in Hosur ("Ather Energy to set up its second plant," 2021).

Production

Mehta and his team intended to do everything in-house and concentrated on localizing parts from the start. As a result, they created the largest R&D department for an electric car company in the nation, employing over 300 people. The vehicle architecture, batteries, battery management system, and chargers were all created and manufactured internally (Bhatt, 2019).

The most crucial part of electric scooters is the batteries. The battery connectors were essential for charging the scooter. Ather was granted a patent for their invention of tiny, light, and portable charging connectors. With the idea, the issue of using bulky charging connectors was resolved. The EV market has benefited since the connectors were designed for all-electric vehicles ("Ather Energy gets patent," 2020). The Government supported Ather to build a lithium-ion battery manufacturing facility in Tamil Nadu, highlighting the FAME program (Faster Adoption and Manufacturing of Electric Vehicles (FAME) scheme launched in April 2015 to encourage EV purchases by providing financial support), GST reduction, and tax incentives. Ather adopted the "Make in India vision" strategy because of its dedication to a localization technique wherein about 90% of raw materials were sourced from within the country (Babu, 2019).

Ather combined the new lithium-ion production facility with the current EV manufacturing process when building the new facility. When the patent was granted, Ather became the only OEM to develop and produce its battery packs (Kumar, 2021). One of the unique features of Ather scooters is their cast aluminum chassis with a trellis frame. Additionally, the new technology and the tubular frame's straightforward construction decreased complexity and expenses, forcing the manufacturing industry to become more efficient and cost-effective (Bhaskar, 2021). Aluminum is around 50% lighter than mild steel in ordinary constructions. Because of this, a lighter car has superior handling, acceleration, braking, and fuel economy. The aluminum body frame can also

withstand a higher energy crash impact than mild steel. Additionally, reducing a vehicle's weight and improving fuel efficiency directly helps the environment by reducing pollutants ("Aluminum bodies and frames," 2014). In 2018, Ather introduced the first electric smart scooter. It created the Ather s340 and Ather 450 electric scooter models. Ather produced two versions in 2020: the Ather 450X and the Ather 450 Plus. Ather Energy launched Ather Grid, a nationwide network of charging stations for electric vehicles ("Ather Energy - E-Auto wheels," 2021).

Challenges

Ather placed a lot of emphasis on localization; however, there were problems because not many Indian enterprises made technological or product advancements. It was, therefore, quite challenging to find someone with the necessary engineering or design experience. Mehta believed team assembling was the most challenging aspect of people management (Bhatt, 2019). The Production Link and Incentive (PLI) for the EV industry scheme was introduced by the Indian government as an attempt to boost the country's manufacturing potential. However, a corporation must have accounted for a worldwide turnover of at least INR 10,000 crore and made a minimum investment of INR 3,000 crore in fixed assets to be eligible for the INR 26,058 crore incentives under the program. The PLI program existed for 5 years, beginning in FY2023, with FY2020 as the foundation year for eligibility requirements. The two-wheeler EV businesses Hero Electric, Ather Energy, and Okinawa Autotech were not eligible for the PLI plan. As a result, pure-play electric two-wheeler firms were left behind. As a result, Ather sought financial support from individual investors ("EV makers urge govt," 2022).

The range of an electric two-wheeler is a crucial consideration when purchasing one. In terms of range, most EVs were powerful enough for daily use. However, long-distance travel remained unsettling due to the difficulty in finding charging stations and the uneven power supply in some parts of India (Mahatme, 2022). Even with the availability of multiple manufacturers, EVs are still a somewhat novel idea for Indian consumers. Sufficient infrastructure like charging stations is lacking. There are insufficient EV repair shops and spare parts dealers nationwide ("Pros and cons of buying," 2021). The range per charge of Ather was around half that of Ola Electric, the newly released model. The optimization of range per charge was crucial for Ather to overcome its competitors and maintain a stable market position, as it posed a substantial challenge (Irani, 2021).

In 2010, Ola was established as a global ride-sharing business and soon became India's top provider of shared mobility services. The company's team used its understanding of the Indian mobility market's dynamics to launch the electric scooter business. However, this was not the case with Ather. Ather had started from scratch, and compared to its competitors, the advertising expense was enormous; therefore, more money was spent than had been budgeted (GlobalData Thematic Intelligence, 2021). An Ola scooter parked in Pune, India, caught fire on March 26, 2022. This led to a bad impression of the EV sector and major reservations about purchasing an electric scooter. Prospective buyers have doubts regarding the suitable safety precautions offered by manufacturers of EVs ("Barriers to the Adoption," 2023).

Competitors

Ola Electric joined the Indian electric scooter market on August 15, 2021. Mehta greeted Ola kindly and referred to it as a "huge win" for the electric vehicle sector. He also said this new entrance would increase awareness and EV volumes (Contractor, 2021).

Ather's main competitors for the EV market were TVS Iqube, Bajaj Chetak, Okinawa, and Ola Electric (see Table 1). Startups still dominate EVs despite the presence of well-known names in the market. Except for Ola and Ather, most brands have a low-speed range. Ola, whose range was up to 150 kilometers, took first place in the

Table 1. Comparison of Electric Two-Wheeler Brand Features

Parameter/Model	Ather 450 Plus/450X	OLA S1/S1 PRO	Simple One	TVS IQUBE	Bajaj Chetak
Weight	108 kg	121 kg/125 kg	110 kg	118 kg	118 kg
Battery Capacity	2.23 kWh/2.61 kWh	2.98 kWh/3.97 kWh	4.8 kWh	2.25 kWh	3 kWh
Price	1,31,647/1,50,657	99,999/1,29,999	1,10,000	1,07,940	1,15,000
Motor Power	5.4 kW/6 kW	8.5 kW/8.5 kW	4.5 kW	4.4 kW	4.06 kW

range category. Reintroducing the Chetak brand in the EV market, Bajaj had been out of the scooter sector for decades. To showcase its brand, Bajaj Chetak combines traditional styling with cutting-edge engine technology (Irani, 2021).

Price

The GST Council of India lowered the tax rate on EVs from 12% to 5% on August 1, 2019. Additionally, it lowered the Goods and Services Tax (GST) from 18% to 5% on chargers for electric vehicles (“EV push: GST council,” 2019). When it became apparent that fossil fuels were in danger of going extinct, the Indian government started the FAME initiative. By cutting the price, the FAME program promoted individuals' purchase of electric scooters. FAME 2 was modified and will remain in use until March 31, 2024. Additionally, this policy provided a city-specific subsidy of INR 15,000 per kWh in Bangalore. The ex-showroom pricing of the Ather 450X was INR 1,50,657, and that of the Ather 450+ was INR 1,31,647 after accounting for the FAME 2 update (Wadhwa, 2021).

The S1 and S1 Pro were the two models of the Ola electric scooter, with prices of INR 99,999 and INR 1,29,999, respectively. Nevertheless, the benefits of this pricing were limited to consumers residing in Delhi, Gujarat, or any other state offering electric vehicle subsidies. TVS provided almost the same pricing with federal and state government subsidies as its rivals. Government subsidies are currently unavailable for the two Bajaj Chetak models, Premium and Urbane, which have prices of 1.44 lakh and 1.42 lakh, respectively (Irani, 2021).

In terms of innovation and technological reform, businesses grew more nimble. Ather customers could return their vehicles after 1–3 years of use by participating in a buy-back scheme. This arrangement benefitted both the manufacturers and the customers. While manufacturers like Ather released their products through periodic renovations, customers were able to own the most up-to-date products on the market. These characteristics immediately increased the scooter's resale value. In addition to the above factors, typical financing options such as EMI and lease were available. They assisted customers in purchasing electric scooters (“Ather Energy rolls out a buyback,” 2020).

On comparing IC engine vehicles against EVs, Tarun Mehta explained in an interview why the Ather 450 was priced at INR 30,000 more than a 125cc scooter. The fact was that it was a superior and premium product, he claimed, was a key factor. Secondly, a typical customer who rode 8,000–9,000 kilometers yearly spent approximately INR 17,000 on petrol. On the other hand, Ather allowed for an annual savings of around INR 15,000 at a running cost of about INR 2,000. He claimed every year after that was all savings, and it was evident that this was a better product overall. Customers of today are also aware of this (Bhatt, 2019).

Battery and Performance

The Ola S1 and S1 Pro batteries have respective capacities of 2.98 and 3.97 kWh, respectively. The ranges that the manufacturer provided are 121 and 181 kilometers, respectively. But these are only ARAI estimates; actual numbers are lower. The Simple One had the highest battery capacity even though the above-mentioned batteries

were larger. The One's average overall battery capacity was almost double Ather's 450X (2.9 kWh) and nearly double that of TVS iQube (2.25 kWh). Consequently, Simple Energy attained a practical range of 203 kilometers when operating in Eco mode. Though more research was needed to confirm this, all of these seemed promising. The 3 kWh battery included with both Chetak versions was sufficient; however, it was not the biggest in its class. All the scooters in this comparison had fixed batteries except for the Simple One, which featured a removable battery (1.6 kWh).

The Ola S1 Pro claimed a maximum power output of 8.5 kW. This was much more than the current 6 kW maximum output of the Ather 450X. With a 5.4 kW output, the Ather 450 Plus supported the lower-spec S1 model's claim of the same peak power level. And if that was not intriguing enough, Ola claimed that the S1 produced 58 Nm of torque. To ensure equal competition in the race, Ather claimed to deliver 22 Nm (450 Plus) and 26 Nm (450X). The TVS iQube claimed to have a maximum power of 4.4kW; however, Bajaj disclosed that the Chetak employed a motor with a maximum output of 4.08kW. The Circulatory Force was 16 Nm on the Chetak and 33 Nm on the TVS. With a peak power of 4.5kW and a circulatory force 72 Nm, the Simple One appeared more powerful on paper than the other two. The TVS iQube is the only scooter with a hub-mounted motor that functioned effectively. There is close competition on this criterion between the Ather 450X and the Simple One, with the former weighing 108 kg and the latter 110 kg (Irani, 2021).

Features

With the assistance of a vendor partner, the dashboard for the Ather scooters was made in huge quantities. The enhanced dashboard of the Ather 450X featured the following features: 1.3GHz quad-core Snapdragon 212 processor with 1GB RAM and 8GB of storage. A 7-inch TFT LCD with capacitive touch, LED backlighting, and 16 million color depth is equipped with the open-source Android operating system (AOSP) (Sricharan, 2021). Compared to normal 125cc scooters, Ather Energy had inbuilt Google Maps navigation on a 7-inch touchscreen dashboard, acceleration, a reverse park assist function, and substantially reduced refueling cost ("Ather Energy unveils new digital," 2021).

The most recent OTA update for Ather's e-scooters enhanced the detection of theft and tows. Sensors automatically tracked the activities seven minutes after the Ather 450X or 450 Plus was turned off. A notification was sent to the owner's smartphone if the 450X or 450 Plus was stolen or towed. The touchscreen display on Ather e-scooters also featured auto-theme changes. This feature switches between light and dark settings depending on the time of day. The display moved into light mode from 6 a.m. to 5:59 p.m., then dark mode from 6 p.m. to 5:59 a.m. ("Ather 450X, 450 plus receive," 2021).

The majority of scooter manufacturers have incorporated touchscreen-capable TFT displays. Additionally, the TVS display featured a massive TFT device. The fact that it could only be operated with certain buttons posed the only issue. Chetak displayed root-level data on simple LCD displays. The only possible drawback was that to get further information, the user had to download an application to their smartphone. These features were incredible, but they were overshadowed by the fact that others had more to offer, such as SMS alerts, navigation, and ride statistics. Ola also brought radical technological upgrades like a brake pad wear sensor. While these scooters had backward functionality and the Simple had tire pressure sensors, cruise control was only available in Ola and Simple (Irani, 2021).

Ather created software that allows users to assess the health of their scooters and schedule maintenance through the Ather mobile app. Another significant component that gave the customer a sense of ease was the availability of a portable charger that could be used at any 5A plug point (Abrar, 2020). According to Narasimha Murthy and Vijaya Kumar (2015), using sensor-based IOT enables businesses to increase their market share, which is crucial for electric scooter companies like Ather.

Distribution

Before EV sales, Mehta's primary goal was to establish charging stations (Singh, 2021). The presence of charging stations in the right locations was one of the most crucial components to ensure client convenience. The phrase "Ather grid points" was created by Ather to refer to their charging stations. Across the country, Ather had built a significant number of charging stations. Ather signed a Memorandum of Understanding with Godrej's Nature Basket, the Indian grocery delivery chain of retail stores focused on gourmet food, for a pan-India collaboration and established Ather grid points across major grocery and fresh food stores. This strategy focuses on availability and providing charging facilities conveniently, especially at client touchpoints ("Ather Energy in strategic partnership," 2019).

One of the most important aspects of customer service that visitors look for in tourist destinations is transportation. One business that offered transportation to clients in Goa was Blive. To promote its electric scooter, Ather and Blive had a strategic cooperation. Blive demonstrated Ather's products using product experience centers. Ather's items were available for customers to try in Blive stores. Additionally, customers used Blive to reserve Ather's scooter. Ather also intended constructing charging stations at Blive stores ("BLive, Ather Energy's partnership," 2021). Similar to the partnership with Godrej's Nature Basket, Ather negotiated contracts to place its charging stations in tech parks, shopping centers, and cafes.

Dealership

One channel in the supply chain that was directly connected to the customer was the dealership. Ather Space was developed as an experience facility in association with elite partners. Ather designed an experience center specifically for its dealer partners. Consumers attended Ather's Experience Center for hands-on training (Shah, 2021). Mehta claimed that when creating the dealership spaces, the focus was not on the new business but on the electric and smart scooters, which were novel in the Indian market, and their level of performance, data, and intelligence. He claimed that it stimulated imagination and generated fresh concepts.

The first proposed design matched the tech experience center but had no soul because the brand was not defined at that time, said Mehta. Ather brought up certain aspects of the brand, where the "body" was the chassis, the "mind" was the intelligence, and the "soul" was the electric part. Later, after many iterations for a prolonged time, the first experience center was constructed. Ather did not showcase only the product and price to the customers; instead, they made customers understand the product deeply by showcasing the original parts and the scooter architecture in the center of the store. As customers entered the facility, their gaze was pulled to the wall that showcased the features of the automobile. The experience center was staffed by engineers who were enthusiastic about EVs; there were no sales teams (Ather Energy, 2019). As of February 2022, Ather Energy maintained dealerships in 32 cities across India, including Ahmedabad, Bangalore, Chennai, Delhi, and Hyderabad. Before visiting the real experience center, potential customers used to reserve a test time on Ather Energy's website (Shah, 2021).

Promotion

Until the FAME 2 subsidy adjustment, Ather offered a two-year vehicle guarantee and a three-year battery warranty. To establish credibility, Ather gave a three-year complete warranty. For clients who had purchased scooters before FAME 2, it extended its guarantee to three years ("FAME II: Ather Energy," 2019). Riders of long-distance scooters preferred having their scooters charged rapidly. One way to solve this issue and shorten the battery's charging time was to replace the batteries. In light of this, Ather considered implementing the battery-

swapping method (Bhattacharya, 2021). The business established a peer-to-peer scooter-sharing platform in collaboration with the mobility startup Bounce. When their scooters weren't used, Ather customers let others hire them using the Bounce app. Bounce customers were responsible for retrieving and returning the car to the owner. This idea was to reduce the total cost of ownership (Abrar, 2020). At first, Ather scooters were only available in major cities. The first part of their advertising focused on those who go to work in cities daily. Even though pooling was one of the possibilities for techies trapped in traffic, it was a pain due to the limited mobility of cars in traffic ("EV makers urge govt," 2022). Ather used this insight to its advantage while creating the campaign.

Gujarat Titans, the Indian Premier League (IPL) team that just moved to Ahmedabad, and Ather Energy have agreed to a multi-year contract. Their primary sponsor was Ather, and they started working together for the 2022 Indian Premier League season. The Ather Energy logo was worn by the squad (Dcruze, 2022).

The Future

Out of the first two models launched by Ather, the S340 was more affordable, and the 450 had powerful and feature-loaded vehicles. In September 2019, the S340 was discontinued due to poor demand, which signaled that customers preferred powerful and feature-loaded vehicles over low prices ("Nobody wants Ather 340," 2019). On the contrary, Ather charging premium was considered quite expensive as a first scooter (Cherian, 2022). This led to a dilemma about offering low-priced products or powerful, feature-loaded vehicles ("Nobody wants Ather 340," 2019).

In July 2022, Tarun Mehta made a bold statement: "Electric two-wheelers are going mainstream, and the fire incidents will only help manufacturers focus on quality, thus helping the industry mature." He also believed 30 million electric two-wheelers would be sold in India by the decade's end ("EVs will become mainstream," 2022). Driven by this, Ather has been constantly working on more concepts and variants of the existing models. As a matter of principle, he believed it was unethical to increase the price if they did not develop any new or value-added features. His optimistic approach toward the future of EVs inspired him to start building affordable motorcycles, and despite setbacks, his beliefs have stayed on (Bhatt, 2019).

On May 27, 2022, Ather Energy tweeted about a fire incident in its experience center, informing that the damage was only on scooters and property and ensuring all employees were safe ("Ather Energy says damaged," 2022). A day later, the company released the details of the accident, stating technically that a crack at a particular location of the top casing of the battery pack (likely due to an accident) exposed the battery cells to water, causing the thermal runaway ("Ather says fire incident," 2022). Two months later, Ather Energy's sales dropped sharply, selling only 1,095 EV two-wheelers in July 2022 compared to 3,829 units in June, marking one of the biggest drops among Indian EV makers ("Ather Energy, Ola Electric," 2022). Ola Electric, Ather's rival, halted manufacturing of its scooters at its Krishnagiri, Tamil Nadu plant in late July, claiming the need for yearly maintenance and the installation of new equipment as the cause. Informal sources stated that the production delay was caused by the factory's inventory build-up of 4,000 unsold scooters (Toms, 2022). On July 27, the Central Consumer Protection Authority (CCPA) issued notices to four to five EV two-wheeler makers due to consumer complaints over battery explosions and fire incidents (Bandhu, 2022). The EV makers had to respond with detailed reasons behind the fire episodes and state why CCPA should not take action against them.

Furthermore, a study by the Defence Research and Development Organisation (DRDO), the top organization under the Indian Government's Ministry of Defence, revealed that battery design flaws accounted for most EV fire incidents in India. This suggests that manufacturers may have used lower-grade materials. Indian consumers are known to take time to warm up to new ideas, especially when purchasing eco-friendly vehicles (Khandelwal et al., 2016), and any such negative news is likely to create issues in customer adoption. There has never been a quiet moment in the intricate landscape of India's electric car market, and it appears that the worst is yet to come.

Managerial Implications

To Ensure Quality, Choose to Build Versus Buy

When faced with the choice of build versus buy, Ather's founders decided to build the entire product from scratch rather than going for the easier, cheaper option of importing components. While it brought in difficulties, the company was able to own the supply chain and, as a result, control costs and ensure quality. An added benefit was receiving several patents, which acted as a barrier against competition with similar components.

Experience is the Best Form of Retail

Since Ather decided to go the premium pricing route for its products, the retail experience needed to be given due importance. The team decided to include enthusiastic engineers as part of its retail sales team, thus excluding pushy salespeople who only cared about achieving their targets. By focusing on the product's internal framework and not its external design elements, Ather could communicate quality to its prospective customers.

Focus on Customers for Life

Since Ather's scooter was far more expensive than that of the competitors, several programs had to be used to explain the benefits of owning the product overall. To begin with, the cost of operation was less than that of scooters powered by gasoline. Additionally, the buyback option for current customers had two benefits: first, it increased customer loyalty and steady revenue from the same group of consumers; second, it benefitted customers by allowing them to possess the newest, most technologically advanced product.

Teaching Notes

Teaching Objectives

- ✎ To help students understand the nuances of building scalable vehicle brands from countries like India.
- ✎ To familiarize the product development strategies of electric vehicle firms.
- ✎ To facilitate an understanding of sales, marketing, and investments in building a profitable business.

✎ **Potential Audience :** The case would be useful for students studying EVs, entrepreneurship, marketing, or related courses.

✎ **Course :** Entrepreneurship, Marketing Management, EVs.

✎ **Program :** MBA/PGDM.

✎ **Pre-conditions :** Familiarity with the two-wheeler market in India and basic knowledge of terms used in business. The following videos can be shared during the case to set the context :

Overview of the Indian
two-wheeler market

1. Where is the Indian two-wheeler market heading?:
[https://auto.economictimes.indiatimes.com/news/two-wheelers/motorcycles/
where-is-indian-two-wheeler-market-heading/79207062](https://auto.economictimes.indiatimes.com/news/two-wheelers/motorcycles/where-is-indian-two-wheeler-market-heading/79207062)

	2. Hero MotoCorp and Bajaj Auto are taking different tracks to regain market share: https://economictimes.indiatimes.com/news/company/corporate-trends/how-hero-motocorp-and-bajaj-auto-are-taking-different-tracks-to-regain-market-share/articleshow/29834018.cms?from=mdr
Important Videos on Ather	1. AutoX interviews Tarun Mehta: https://www.youtube.com/watch?v=KWGwSHfAtec 2. Inside Ather's new EV mega-factory with Tarun Mehta and Swapnil Jain: https://www.youtube.com/watch?v=c9iV3bYZaoU 3. Making of Ather Space experience center: https://www.youtube.com/watch?v=Kv83WPqUXKo 4. EV Battery Safety Norms, Company Growth And E-Scooters Demand in India: https://www.youtube.com/watch?v=sPqO6wxTJbU
Advertisements	1. Our batteries are cool ad: https://www.youtube.com/watch?v=8LvsTsXsV0o 2. Ather Dot: https://www.youtube.com/watch?v=e2YikLz7CFw 3. Meet the owners: https://www.youtube.com/watch?v=0G4myrg0ljs

Several Teaching Sessions Needed

The case can be covered in two teaching sessions of one hour each. Students may receive an explanation of the case during the first class. Students may then be assigned a self-study task to help them understand the intricacies of the case. The case's final questions could serve as a guide for in-depth talks during the second session.

Discussion Questions

- (1)** Consider the current status of the Indian two-wheeler market and Ather's extraordinary experience of beginning the EV business from zero.
- (2)** Please discuss the marketing strategies Tarun Mehta and his group employed to communicate the premium EV product.
- (3)** Once India's EV market has matured, what strategy can EV makers like Ather deploy to build and sustain customer interest?

Authors' Analysis of Each Question Raised

(Q-1) Discuss Ather's unique journey of starting the EV business in India from scratch, considering the state of the Indian two-wheeler market.

India has been a strong two-wheeler market, with sales reaching an all-time high of 2.1 crore units in 2019. However, due to the pandemic, sales in 2021 dropped to around 1.4 crores (Sun, 2023). Unlike demand from rural India, which contributes 50–60% of two-wheeler sales, sales in urban parts of India are discretionary, with customers buying it as an additional vehicle to the household (Sachdev, 2022). Electric two-wheeler sales are climbing steadily, accounting for over 2% of total two-wheeler registrations in January. While many new manufacturers have announced new launches, customers are still waiting and watching. The lack of dedicated parking spots is one problem, but a comprehensive vehicle that charges fast and offers a greater range for every charge is another.

In this context, Ather launched its EV business, going against the established norms of importing components and assembling the product in India. The team built every component from scratch, adding to R&D costs. The distinct advantage had to be in increased range for every charge, which Ather focused very early on. Including a touchscreen dashboard with acceleration and projected range (charge and kilometers remaining), customers saw value in the product (Bhat & Bhat, 2022). Offering the buy-back program was also a move that encouraged customer loyalty and increased revenue from existing customers.

(Q-2). From a marketing perspective, discuss the steps that Tarun Mehta and his team used to convey the element of a premium EV offering.

Controlling the design and production process was the first crucial step that Mehta and his team decided early on. The company's current models, the Ather 450X and Ather 450 Plus, were designed in Bengaluru and made in India. As of 2022, its plant in Hosur could produce 1,10,000 scooters annually (Chengappa, 2021) and is slated to serve as the national manufacturing hub, catering to demand from across India. Next, Ather ensured connectivity to the Android platform on the product's dashboard (Pandit, 2021), allowing riders to connect their phones through Bluetooth and for location-based services. This allowed riders to navigate the road easily and get updates on distance traveled, charge remaining, etc. Creating an easy-to-use product with a familiar platform ensured that riders were tension-free.

The most significant investment was made in building the Ather Experience Center, which embodies the brand's values of “innovation” and “dynamism” (Ather Experience Centre, 2019). Workshop-style tables and monolithic podiums display Ather's machinery components and chassis models. Ather discovered that to differentiate themselves from the competition, buyers need to be able to touch and feel the interior and exterior of the product to gain better knowledge.

(Q-3). Once India's EV market has matured, what strategy can manufacturers like Ather deploy to build and sustain customer interest?

The robustness and sustainability of the ecosystem are essential for the EV market in India to mature. For instance, there must be more public charging stations nationwide where drivers of all brands may refuel their cars, and there needs to be easy access to EV repair facilities. Alternative backup sources like solar energy for running the scooters may have to be explored. Solar charging canopies made to fit any electric scooter are now available from startups like Motosola (Praveen, 2019).

Ather might investigate piloting the scooters in South East Asian markets, where electric cars are already well-liked, and in Latin American markets, where product characteristics and price acceptance are important factors in purchasing decisions (Dhingra, 2020). European countries could benefit from Ather's pricing, which can be highly appealing given per capita income levels.

Data ownership (Bliss, 2020) and decreased reliance on outside programs like Android are more significant concerns. They also address the dangers posed by dockless scooter-sharing services like Bounce and Vogo, which allow users to pick up and drop off the scooter wherever it's most convenient (Singh, 2019).

Authors' Contribution

The authors, Thomason Rajan and Nikhil J., confirm combined responsibility for the case conceptualization, design, data collection, and case preparation.

Conflict of Interest

The authors certify that they have no affiliations with or involvement in any organization or entity with any financial or non-financial interest in the subject matter or materials discussed in this manuscript.

Funding Acknowledgement

The authors received no financial support for this case study's research, authorship, and/or publication.

Disclaimer

The author prepared the case's contents from publications to facilitate class discussion. Good and bad management examples are not meant to be testimonials or examples. Some names, numbers, and information might have been altered to protect anonymity.

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