



## Quiklyz: Creating a New Market

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“Can you believe that Mahindra has launched this service?” exclaimed Sameer Khan. He had just signed up to a subscription service for a new car, the XUV700 from Quiklyz which was a new business launched by Mahindra Finance, a leading financial services and leasing company. “Must be only for Mahindra vehicles, I suppose,” countered Sekhar Rao. “No, that’s the crazy thing! They have cars from other manufacturers too,” replied Sameer.

Sameer and Sekhar were colleagues in a strategy consulting firm and had often discussed if subscription models would eventually make their way to high-value products like cars and homes. In the autumn of 2023, Sameer had upgraded from his older XUV 300, albeit with a different commercial model.

Of course, there were many players like Uber and Ola in the “Car as a Service” business, and startups like Zoomcar and Revv offered cars on a rental basis. But a subscription model was a different proposition altogether.

### Passenger Car Market in India

According to the Society of Indian Automobile Manufacturers (SIAM), 4.2 million cars were sold in 2023-24, representing an 8.4% growth over the previous year, and the highest ever annual sales. The market was expected to further grow in the coming years, driven by increasing consumer confidence, significant investments in road infrastructure, and the launch of new models. *Exhibit 1* illustrates the top players in the passenger car market in India.

The used car market in India was also growing, with an estimated 10-12 million vehicles being sold every year. The used car market in India was driven by a growing demand for affordable and accessible mobility solutions, as well as the increasing popularity of online marketplaces for used cars.

### Subscription Cars

Car subscription was a form of ownership where customers paid a monthly fee for the use of a car, instead of purchasing it outright. This model provided a convenient and flexible alternative to traditional car ownership, as it eliminated the need for a large upfront payment and offered more flexibility in terms of the duration of use, yet providing the control of ownership since the car was registered in the customer’s name.

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Srinivasa Addepalli of GlobalGyan Leadership Academy wrote this case solely to provide material for learning and discussion as part of the Strategy Case Competition 2024. Quiklyz has provided inputs to this case; however, this is an independent case developed and funded by GlobalGyan. Information has been included using public sources, but the authors do not vouch for the accuracy of the data. Any brands that are included in this case are for academic purposes, and the trademarks belong to those respective companies. The case is not intended to illustrate either effective or ineffective handling of a managerial situation, or a judgement on any business or person.



The car subscription market in India was a relatively new phenomenon that had shown some promise. It was expected to be driven by the growing demand for convenient and flexible mobility solutions, as well as a rising disposable income among urban consumers. Major auto manufacturers recognized the changing customer behaviour and entered this space, mostly through partnerships with subscription companies.

For instance, Maruti Suzuki launched its Subscribe program in September 2020 in partnership with Orix; customers would pay an all-inclusive monthly fee that covered the vehicle cost, complete maintenance, insurance and roadside assistance. They were provided the choice of registering the vehicle in their name (subscription model) or in the name of Orix (leasing model). On completion of the subscription or lease period, the customer could opt to upgrade the vehicle, extend the arrangement or buy the car at the residual price. In February 2022, Maruti expanded its partnership to Quiklyz, and at that time claimed that it had received more than 100,000 enquires for its Subscribe business.

Hyundai had launched its subscription program even earlier, in 2019, in partnership with Revv, which had begun in 2015 as a self-drive rental car business. Later, Revv added options for long-term leases (monthly) as well as ownership-based annual subscriptions. In the subscription models, the customer had to commit the arrangement for a defined period, usually between 12 to 60 months, and the monthly fee decreased as the period increased.

Another player in this space was Myles which (like Revv) began as a self-drive, rental car business in 2013. In May 2022, it launched its own subscription model. The company announced that it would add 5000 cars in the following 12 months under the subscription model. Sakshi Vij, Founder & CEO, Myles, said:

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*Millennials are shifting towards a subscription economy that helps them to maintain their finances. And now with the younger generation realising the liabilities of owning a car, they are willing to subscribe to vehicles as well.*

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Subscription products sought to occupy the middle ground between ownership and leasing. And like any business that was in the middle, comparisons were always made with the other ends of the spectrum. While trying to attract customers from both sides, they took the risk of being caught in between. And this in a market, where other start-ups were encouraging customers to book taxis or rent self-drive cars on-demand.

## About Quiklyz

Playing on the terms 'quick' and 'lease', Quiklyz was a digital platform launched by Mahindra & Mahindra Financial Services Limited in September 2021. This coincided with the launch of the



flagship Mahindra sports utility vehicle, XUV700. At that time, Mohammed Turra, SVP and business head, leasing and subscription, Mahindra Finance, said:

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*A very important set of consumers for our new business will be the millennials who aspire to not only owning a vehicle, but to do so in a hassle-free manner. Quiklyz will provide that convenience while allowing them to frequently change or upgrade to newer models entering the market without any down payment. For corporates as well, leasing is fast emerging as a viable option, both for providing cars to their employees and obtaining vehicles for their business use.*

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While Quiklyz was part of Mahindra Finance, it was consciously designed as a digital-first business. Evidently, it modelled itself on its biggest competitors: not car dealerships but technology-based and venture capital funded start-ups. This meant not only the team composition had to be lean, but the culture was like that of a start-up with agile decision making and growth hackers playing a huge role. They even housed the team in a different office, away from the traditional car leasing business of Mahindra Finance. See Exhibit 2 for a few screenshots of the Quiklyz website.

Within a year of its existence, Quiklyz had financed over 2500 cars to the consumer segment. In addition, Quiklyz also catered to the corporate and commercial leasing markets. They moved quickly into the growing demand for electric vehicles (EV), particularly from the logistics and last-mile mobility space, and had financed 1000 such vehicles by then. Mohammad Turra mentioned:

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*EV financing ecosystem is currently at a very nascent stage in India. It demands a specific financing approach, a developed understanding of the EV domain, an understanding of the customer's unique business model and curation of customised solutions.*

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## Looking Ahead

“What do you think, will car subscriptions work in India?” asked Sekhar. “Let’s see, I am probably an early *bakra* (pilot customer) for them,” Sameer mused. Sekhar had been planning to buy an Electric Vehicle (EV) and this news from Sameer gave him an additional option. He could consider a subscription without getting committed to permanent ownership, what with the expected evolution of EV technology in the coming years. And then, should he choose Quiklyz or go with someone like Revv which had been in this business for much longer? For instance, Revv even offered used cars, which they unabashedly claimed were “unboxed – as good as new”, for a lower price.

Ultimately, it was not clear to him if the subscription was indeed more cost effective than buying the car. He had been confused if he should buy the car outright or opt for a loan. Now, this was a third option.

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How was a subscription different from buying a car (using a loan) or leasing it from a company like Orix? As for the other services, most car manufacturers or dealerships were anyway bundling financing, maintenance, and insurance with their products.

## The Challenge

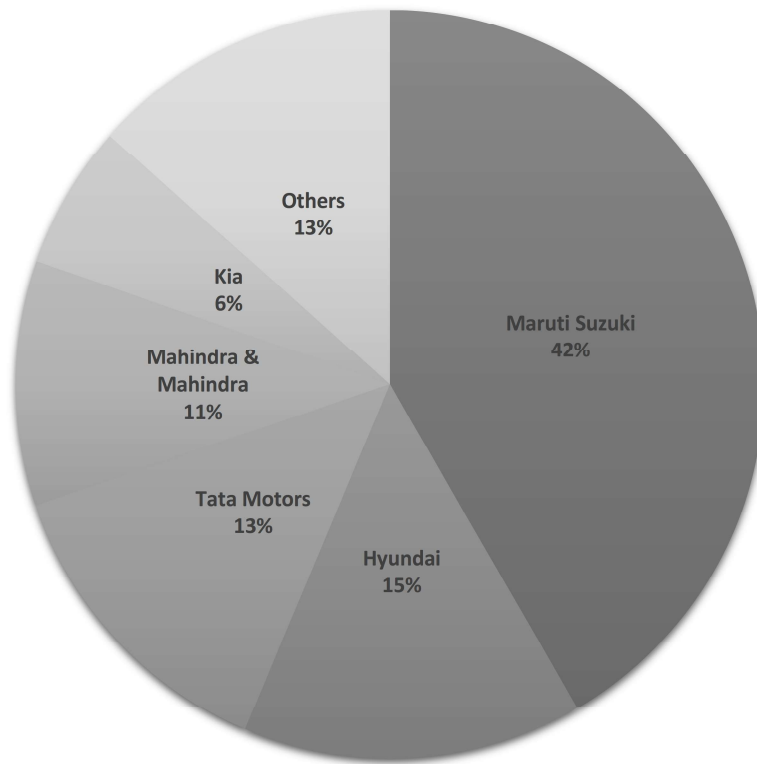
The expectation was that a new generation of professionals would set a trend of the subscription model. Yet, the penetration of car leasing and subscription in India was just 1.5%. The challenge was to create a new category in a market that prided itself on owning a car. How should Quiklyz develop its strategy and create a value proposition that would not only attract customers but build a new market itself?



EXHIBIT 1:

## Passenger Cars Sales in 2023: Share by Brand

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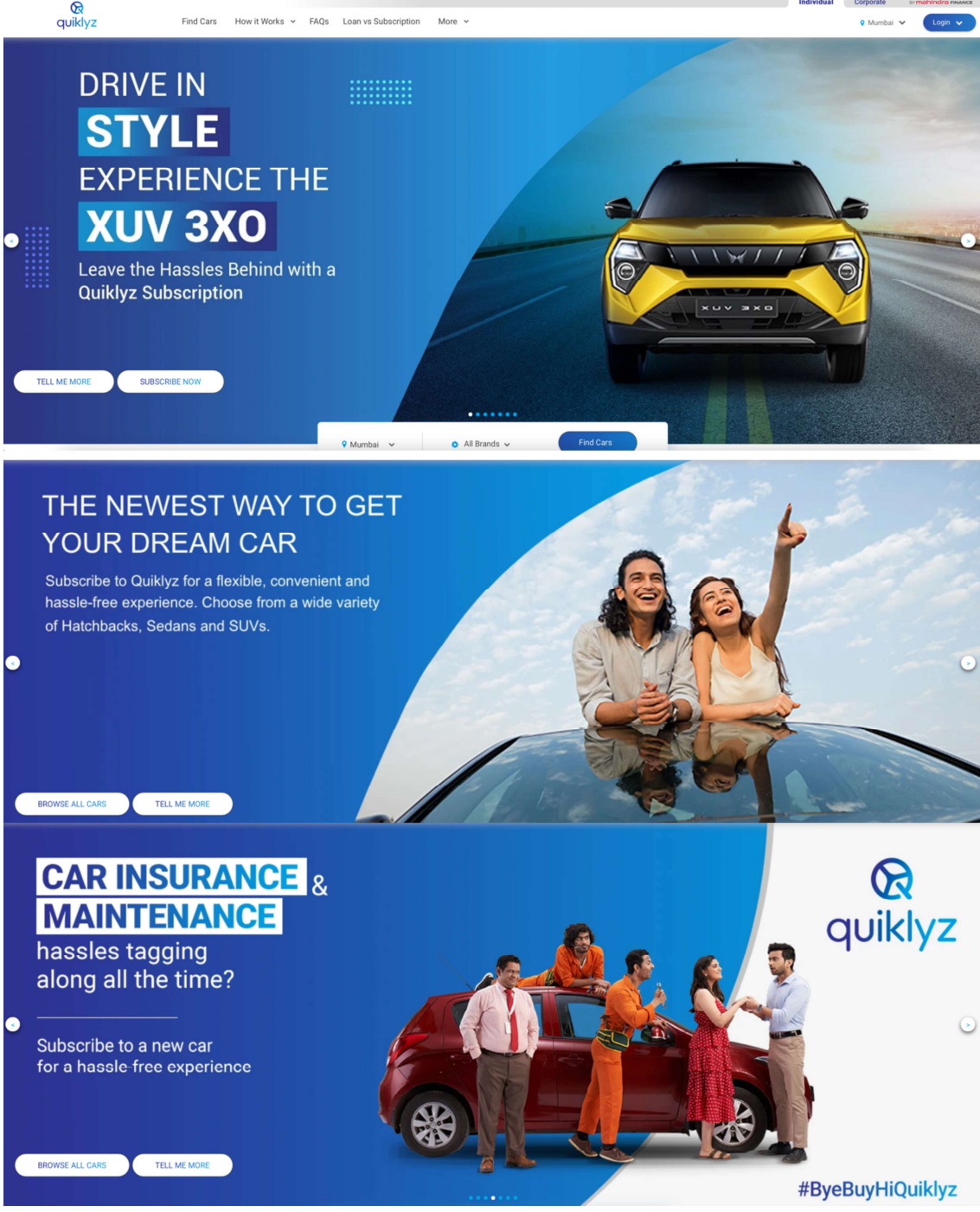


Source: Autopanditz.com



EXHIBIT 2:


## Screenshots from Quiklyz Website








The image displays three screenshots from the Quiklyz website. The top screenshot features a yellow Mahindra XUV 3XO SUV on a road, with the text "DRIVE IN STYLE EXPERIENCE THE XUV 3XO" and "Leave the Hassles Behind with a Quiklyz Subscription". The middle screenshot shows a young couple looking at a car, with the text "THE NEWEST WAY TO GET YOUR DREAM CAR" and "Subscribe to Quiklyz for a flexible, convenient and hassle-free experience. Choose from a wide variety of Hatchbacks, Sedans and SUVs.". The bottom screenshot shows a red car with people around it, with the text "CAR INSURANCE & MAINTENANCE" and "hassles tagging along all the time?". The Quiklyz logo and the hashtag "#ByeBuyHiQuiklyz" are visible in the bottom right corner of the third screenshot.



Cars on Subscription > Tata Nexon EV Creative Plus Medium Range Electric Automatic



Mileage	Excess Km rate	Delivery Time
325 Km per Full charge	₹7/km + GST	16-18 Weeks

Disclaimer: There could be some difference in specifications basis changes made by OEM and colour shown may vary slightly from the actual colours.

### Tata Nexon EV

Electric  Automatic

Select variant  
Creative Plus Medium Range

Select Color

Creative Ocean

Select Subscription Type  
Flexi Advantage

Select Tenure (Months)

Select Mileage

Lease

**₹47,999** /month

₹1,350/week


Buyback Value






As per the market rates at the end of tenure or closure of subscription

[Check Eligibility](#)

Still, have queries ? Request call back

Cars on Subscription > Mahindra XUV400 EC Pro 34.5KWH 3.3KW OBC Electric Automatic



Mileage	Excess Km rate	Delivery Time
375 Km per Full charge	₹7/km + GST	10-12 Weeks

Disclaimer: There could be some difference in specifications basis changes made by OEM and colour shown may vary slightly from the actual colours.

### Mahindra XUV400

Electric  Automatic

Select variant  
EC Pro 34.5KWH (3.3KW OBC)

Select Color

Arctic Blue

Select Subscription Type  
Flexi Advantage

Select Tenure (Months)

Select Mileage

Lease

**₹48,599** /month

₹2,051/week

Buyback Value

As per the market rates at the end of tenure or closure of subscription

[Check Eligibility](#)

Still, have queries ? Request call back

Source: Quiklyz.com extracted in June 2024