Sunfuel Electric: charting a differentiated go-to-market-strategy in the EV charging space

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Sunfuel Electric's (SEF) co-founders Sudhir Nayak (CEO and chief driver), who was responsible for strategy, marketing and operational excellence, and Mathew Koshy (head of finance and operations) at the end of 2023 were taking stock of the milestones that the company had achieved over the past couple of years. An early entrant in the electric vehicle (EV) charging infrastructure space, they had forecast that the growth trajectory of downstream services like charging stations would reflect the high growth trends of EVs and that SFE's success would hinge on how well it could carve a distinct position in the customer's mind. Apart from the fast-changing market dynamics, the EV sector was now seeing immense competitive pressures from other charging point operators (CPOs) and EV automotive original equipment manufacturers (OEMs) who had their own EV charging assets. The co-founders, who were also motor enthusiasts had been convinced that EVs would soon become an integral part of the mobility landscape, and therefore, after successful stints in the industry had got together driven by a common passion to contribute meaningfully to a more sustainable world. Nayak, during professional engagements in other countries, had also observed gaps in a consumer's EV charging experience even in mature EV markets. This led them to believe that any company who bridged this gap with a suitable offering first, would stand to gain.

Given that they had entered a nascent industry and were a relatively smaller-sized start-up, it was a deliberate strategy to focus on a narrow segment of consumers and use the learnings to subsequently enter other segments. The team prioritised the "destination charging" [1] category which involved partnering with luxury hotels and high-end establishments. They found that these establishments also were receptive to partnering operators who could provide a consistently high-quality charging experience. However, soon after SFE achieved breakthroughs, competitors and copycats emerged, posing an existential threat to this single-service company. Realising that developing an alternative strategy was imperative to maintain a competitive edge and stay ahead of the curve, SFE readied a three-pronged gameplan aiming to evaluated which of the initiatives would gather enough traction to pursue. The first was "E-Trails": an initiative targeted at a community of adventure-driven EV motorheads [2] who enjoyed curated road trips. The second was earnings from EV-Roadhouse, a one-stop highway pitstop [3] for EV users that promised high-speed EV charging along with a bouquet of allied services to a weary traveller. The third was entering the city charging space using a differentiated approach.

With the immediate goal being to build the brand and widen the user base, all co-founders were hopeful of the results from these three pilots which were directed at a specific segment of users. Nayak and the team needed to build brand saliency, induce trials and

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repeat usage to have a fighting chance. Therefore, to what extent and which of these initiatives held the most future potential so as to translate into gains on the ground to fuel their future success, was the question before them.

About the industry

The Indian EV industry had shown high growth rates, especially after 2000 [4]. In 2022 alone, EV sales grew by over 200% as compared to the previous year. Back by government policies, declining battery costs and increased environment consciousness, an ambitious 36% compounded annual growth rate was forecasted for this sector until 2026. India, being party to the Paris Convention [5] on Climate Change which aimed at limiting global warming to below 2˚C, had taken various initiatives towards sustainability including supporting the global EV30@30 campaign that targeted 30% of new vehicle sales to be electric by 2030. In India, several policy changes that supported the EV industry were introduced such as subsidies for electric vehicles and charging infrastructure and tax breaks for EV manufacturers. To promote EV adoption and develop EV charging infrastructure, Faster Adoption and Manufacturing of Electric Vehicles promoted by the government incentivized the purchase of EVs in its first phase (2015–2019), while the second phase (2019–2024) aimed at jumpstarting EV manufacturing. EV sales were expected to have a cascading effect on other related services such as electric charging, electric motors, batteries and power. Apart from the obvious advantage in greenhouse gas emissions, for India, there were added advantages of job creation and reduced dependency on expensive imported oil.

Recognising the pivotal role that a robust EV charging network [6] played in meeting the country’s EV adoption targets, the government had lately initiated efforts towards increasing accessible charging facilities for EV users. Within the overarching EV charging industry, opportunities included public charging stations, home charging solutions, fleet charging infrastructure and EV charging software development. For the EV industry to gain significant traction and propel the widespread adoption of electric vehicles in India, a multi-pronged action plan focussed on expanding the current charging network, bridging the pricing disparity between EVs and internal combustion engine vehicles in a price-sensitive market, addressing grid capacity constraints and also improving consumer awareness.

About Sunfuel electric

Getting the team together

In 2019, during the Diwali season – an annual festival celebrated in India around October or November – Nayak coined the name “Sunfuel Electric” for the company. The name embodied the vision of offering futuristic products and services for the EV user, powered by solar energy. The overarching strategy envisaged developing technology to charge vehicles using EV chargers mapped to smart grids that were connected to solar farms. The vision was to position SFE as a contributor to India’s transition to non-polluting, environment-friendly alternatives from fossil fuels aimed finally at net-zero EV charging.

Prior to SFE, Nayak had founded Ikigai Lab, an AI training company, following a successful tenure at Accenture until 2015. Despite Ikigai Labs’ success, Nayak felt he had not fulfilled the promise he made to himself to be part of a venture that focussed on sustainability practices. Deeply concerned about the environmental impact of climate change he wanted to leverage his experience and establish a company that would contribute to mitigating environmental degradation. This explained why, when putting together the leadership team for SFE, he carefully selected as co-founders those who shared his passion for contributing to sustainable business practices.

During his stint in the industry, Koshy had always harboured aspirations of associating with a socially responsible business. Motivated by SFE's vision, he joined in early 2020, bringing with him two decades of global expertise in marketing and business development. Later, Gul Panag a multi-faceted leader and motor enthusiast, joined as the third co-founder in June 2020. Panag envisioned herself as playing a pivotal role in engaging and energising the e-mobility community. She was the one who seeded the E-Trails, [7] an initiative that aimed at deepening the community connection around responsible motoring.

In January 2021, Rishabh Mehta, a Stanford alumnus with a successful background in outdoor advertising, joined as the fourth co-founder. Mehta's expertise in digital advertising, particularly in the out-of-home (OOH) segment, complemented SFE's charging services offering as it integrated EV chargers with advertising screens. This was also the reason why SFE's business model uniquely factored revenue streams from out-door advertising and, of course, charging services.

Initially, they planned for a market entry targeted at the "city charging" segment. However, as a new entity with limited funds, since this would have involved significantly higher investments, they pivoted to the destination charging opportunity. SFE saw advantages in the "Destination charging" segment as it catered to hotels and luxury establishments that were looking to offer the best to their EV customers. They also preferred to sign up single-vendor contracts. This was an attractive proposition for SFE as this business-to-business (B2B) business could possibly act as a potential moat in the future once they struck a deal at the national level.

Since hotels and luxury establishments would be pivotal to delivering the charging service within destination charging, SFE brought in Pranav Joshi, a veteran in the hospitality industry with extensive experience in sales, operations and business development. Additionally, Dipak Haksar, a seasoned hospitality expert, was onboarded as an advisor in December 2020 to further support SFE's strategic think tank.

Consumer experience – the opportunity gap

While conducting primary field research in New Delhi around mid-2019, they identified what was a significant opportunity to improve the end-user's charging experience. They observed that EV charging stations were often tucked away into dingy corners of existing petrol pumps or crowded city centres. Furthermore, due to the limited number of EV users, these charging areas suffered from neglect and were poorly designed and maintained. This was a marked contrast to a typical EV owner's profile, who as an early adopter had consciously invested in a vehicle that was at least 30% more expensive than a traditional fossil fuel car.

Observing the investments being poured into this sector, SFE intuitively concluded that EV charging also would soon take off and SFE could capitalise on its first-mover advantage by riding on the back of the boom in demand for EVs.

Having identified the "opportunity gap", the team now set about identifying the customer segment for SFE to target. The customer persona that emerged was that of an upper-middle-class technology enthusiast, environmentally conscious, who as an EV owner had paid a premium to enjoy the silent, smooth and seamless experience of the EV ride. Even though it was a small dispersed segment at that time, many of these self-drive EV owners were younger millennials who had paid a premium to own the EV because they wanted to contribute to sustainability as a cause, in their individual capacity [8].

In India, despite the availability of EVs across two, three and four-wheeler (4W) segments, SFE made an early strategic decision to concentrate only on the 4W segment. This decision stemmed from the insight that the two and three-wheeler customer segment was not only crowded but the value proposition was extremely skewed towards price rather than quality of experience. Furthermore, due to resource constraints, even within the 4W automative sector they further targeted only three categories of EV owners, namely, C2, D1 and D2 [9], which were the premium category EVs. In parallel, they had commissioned another market mapping exercise which identified eight early adopter cities on which they could concentrate their efforts (Bengaluru, Chandigarh, Chennai, Delhi, Mumbai, Delhi, Kochi and Kolkata). These cities at that time contributed to 60%+ of the car sales in the identified categories.

Internally, as SFE deliberated which segments to target, they also mulled over the merits of serving public or private charging services, selling EV charger products or EV charging service and, whether they should be a single-service provider or offer a range of allied services. These early deliberations helped to shape SFE's market positioning and base their long-term growth strategy to achieve value creation. Soon after, the market began its exponential shift from fossil to electric fuels and the newly emergent EV sector presented a broad exciting business opportunity lifting with it both downstream and upstream industries.

The reality however was that given SFE's lack of size and expertise meant that they could not pursue every business opportunity. While it was tempting to borrow externally and participate like many others in the "land-grab" around them, they stayed cool-headed with their focussed calibrated approach. They combined research-based insights, their own experiences and the resource reality, to determine the optimal strategic market positioning, by asking the fundamental question of "Where should SFE play?" The company's product-services offering, associated service features, markets to enter and pricing strategies emerged from here (Exhibit 1).

Understanding end-user behaviours

SFE finally opted to focus on providing "charging services" rather than manufacturing and selling "chargers." This allowed them to move towards their goal of potentially differentiating themselves based on superior customer experience while unlocking opportunities for recurring engagement and revenue (Exhibits 2 and 3).

During the market exploration phase, two distinct segments could be discerned based on end-user preferences; public and private charging. In private charging, the charger was installed in spaces that were not accessible to the general public. In public charging a further categorisation was observed based on customer behaviours and preferences (Exhibit 3):

- *Highway charging* (chargers installed in public places): EV users needed charging services *enroute* to an out-of-city destination i.e. while on a longer journey. The EV user in this case tended to value convenience and speed of charging. These chargers catered to topping-up charging needs. Fast charging was an important consideration for such end-users.
- *Destination charging* (chargers installed in private or public places): EV users needed to charge at the destination *after* they arrived there. Here the "destination" could be at any public place or a private place say malls, gyms, shopping centres, club, hotels, golf courses, auditoriums or recreational centre that could located either within a city or outside the city limits. These could be installed on privately or publicly owned spaces.
- *City charging* (chargers installed in private or public places within a city): While such EV users typically charged at the EV charging station at their residence, or at the office they often decided to additionally top-up the charge before leaving.

Executing the vision

As a customer-centric charge point operator [10], SFE wanted to offer those features considered important by their targeted end-user. Delivering their service promise meant offering fast charging speeds, easy installation at vendor locations and user-friendly operations. In parallel, to augment revenue earnings, they also needed to position their chargers at prominent “high-traffic” points, so that their chargers could double up as an advertising medium. To execute this, during the manufacturing stages, SFE chargers were equipped with an advertising billboard. This fitted into their aspiration to operate at the top end of the market, where they eyed building long-term tie-ups with premium automotive brands due to their presence at the hotel and hospitality partner’s premises. Mehta’s experience guided their efforts in spotting revenue potential in this channel. For its B2B partner, SFE’s service promise within destination charging included:

- Tailored design befitting the premium hospitality sector.
- Seamless operations.
- Installation at carefully selected locations for enhanced utilisation and visibility.
- Comprehensive post-sales services.

As a nascent start-up operating in an emerging sector with no established playbook, SFE opted for a measured approach rather than an aggressive expansion strategy. Their strategy which was born out of necessity, actually proved advantageous as it allowed them to operate under the radar of bigger players, and successfully test an opportunity that had future expansion potential. They also practiced a clear “what not to do”, strategy. For example, they refrained from entering the arbitrage [11] game of home charging, wisely recognising that many large residential and commercial projects already included EV charging facilities. They had also avoided targeting corporate office spaces to erect EV charging stations for the same reasons.

Kickstarting the launch plan

Within the hotel and hospitality segment, SFE’s business development team targeted only luxury properties i.e. five-star and above, as it matched their desired consumer demographic. Daily, these properties not only catered to staying guests but also hosted elite multi-generational visitors at their 24-h cafes and business and social events. Conservative estimates placed this daily footfall at 2,000–5,000 unique visitors for each luxury property. From SFE’s perspective, getting a foothold here also meant that the chargers which doubled as advertising media and located at high-visibility spots on the host’s premises, guaranteed visibility lending support to space-selling ambitions.

Joshi, with his extensive experience in the luxury hospitality sector, knew that introducing and selling a new concept in the B2B space while time-consuming, was also a rewarding one. Joshi recalled, “At that point in time, most luxury properties wanted to offer their guests on-premise EV charging services and therefore, SFE was at the right time and, at the right place.” Once they signed the contract, SFE got immediate access to all its nationally located properties of that hospitality chain which immediately amplified their market reach. SFE had a small business development team and this approach of focussing on converting national deals saved them from stretching themselves thin pursuing individual hotels. SFE went one step further. Backed by learnings from Joshi’s experience, in parallel, they actively collaborated with the facilities teams at various stages in the sales cycle. Their post-sales initiatives were well appreciated e.g. comprehensive training kits, an exhaustive checklist covering installation and preventive maintenance guidelines, etc. This contributed to positive word of mouth and higher sign-ups.

Luxury hospitality firms were inherently predisposed to delivering exceptional experiences. Interested in engineering high levels of service quality for their customers, they were receptive to design changes in parking layouts and supported the holistic planning approach that SFE brought to charging station installations, namely, charger aesthetics, invisible cabling, customer education boards and meeting stringent fire regulations. Leveraging this, SFE was able to obtain high-visibility installation spots that not only bolstered charger utilisation, but also optimised OOH advertising opportunities. SFE's investments in relationships meant that they gained valuable information and insights into the customer experience priorities of hotel chains and their efforts at customer satisfaction. However, just when they were poised for take-off, the pandemic struck. The business development team, having seeded the ideas to receptive hotel chains, suddenly found that priorities changed overnight.

The pause and beyond

Believing that business would rebound in due course the co-founders mobilised the team to refine various aspects of the EV charging experience. For instance, based on client insights, service offerings regarding post-installation maintenance of EV chargers were developed. Nayak drew from his experience in deploying six-sigma methodologies and motivated the team to develop a comprehensive Operations Excellence Manual. They also refined the basic designs for the two charger Models Adpod and Monolith and worked on training protocols, technology integration, vendor relationships, warehousing and supply chain logistics. Additionally, they streamlined order placement and fulfilment processes. To enhance differentiation through design, SFE collaborated with IIT Delhi to create design options that enhanced aesthetics and functionality. The designs were approved in July 2020, and a prototype was subsequently developed. George Geo, an IIT Delhi alumnus who joined the company as a design principal said, "The passion and importance this company gave to customer convenience and experience was the motivating force behind the sleek designs we created."

Early breakthroughs

Following the lifting of lockdown restrictions, SFE resumed discussions with previously interested prospective clients. The team celebrated their first breakthrough with ITC Maurya, New Delhi, and installed two charging units in April 2021. SFE demonstrated its commitment to customer-centricity as an approach, in this luxury B2B sales segment by demonstrating willingness to customise offerings. They developed a limited series production of chargers tailored for installation at ITC Maurya. For Club Mahindra's property in Madikeri, South India, SFE installed an EV charger connected to the solar power source. Willingness to customise also secured them an order for EV chargers from Mercedes for their newly launched EV, the Mercedes EQC.

While momentum suffered a setback with the onset of the more disruptive second wave of the pandemic, this time around they continued discussions. Radisson Hotel Group and Intercontinental Hotels Group (IHG) who had expressed interest in installing charging facilities on their properties signed up for 112 hotels, while IHG placed an order for its 39 hotels. Additionally, SFE secured national contracts with ITC WelcomHeritage and Club Mahindra. Signed collaborations with other hotels followed and by December 2023, SFE's network covered over 150 carefully selected unique locations and had a robust order book. Nayak now aimed to reduce the conversions-to-installation turnaround time as he acknowledged, "it was now the right time to utilize lean six sigma methods and further improve experience consistency at both ends; the hospitality host and end-users."

Nonetheless, due to a lack of sector knowledge and its small team size SFE found that it had missed out on some promising opportunities. Related to the destination charging segment, an opportunity to install chargers in the quick service restaurant (QSR) segment went unnoticed. QSR companies, such as McDonald's or Domino's, typically owned or leased real estate at strategic locations connecting origin and destination cities; for instance, food courts that lined national highways were either independently owned entities or part of national chains. Likewise, they were late to evaluate a greenfield opportunity that arose from the development of smart highways which were expected to connect smart cities, due to its various pre-occupation with getting its go-to-market (GTM) right. The co-founders found that due to the intense activity in this sector, they were constantly grappling with whether to focus and consolidate or rather, go after new unfolding exciting opportunities. Now that SFE was on more sure ground, the co-founders realised that the time was right to obtain external funding that would support a more aggressive growth agenda.

Co-creation of the end-user experience

To deliver on its promise of a superior and seamless experience the design team consistently refined the design of its chargers to enhance aesthetics and user-friendliness. Attention was given to ergonomic aspects during the design phase, such as analysing how the height of the footlight on the charger enhanced end-users comfort or how conveniently the charger could be operated by the end-user. Structural limitations at prospective sites were identified during the signing-up process, allowing SFE to incorporate these constraints into their design and service offerings at the installation stage. Customer feedback played a pivotal role; for instance, the pillar-type design was adopted instead of wall-mounted chargers following feedback from field studies.

Aimed at developing a separate advertising revenue opportunity, SFE put effort into selecting “optimal” installation locations. They preferred locations that were at the entrances of a luxury property, which offered both convenient access and attracted eyeballs, rather than traditional locations at the rear or underground parking apart from introducing a unique revenue stream to the property owner, SFE messaged that because they operated in the B2B2C business space, they were also responsible for co-creating satisfaction for the end-customer along with the hospitality partner. SFE’s marketing team creatively collaborated with the hospitality partners’ marketing teams right from the inauguration stage. Simultaneously, a promising potential partnership with EV OEMs with successful partnering with luxury car brands such as Mercedes and Audi, emerged. SFE, therefore, found that by operating on two levels: building strong relationships with the hosting hotel partner and enhancing the end-user’s experience they could build strong synergistic partnerships.

To build such strong client relationships, SFE’s operations excellence team oversaw the entire journey from concept to on-premise charger installation. A downside soon became evident. Certain time-sensitive opportunities were getting missed as the team was stretched thin. To take care of this vulnerability, efforts were set in motion towards strengthening the on-ground team. From the practical point of view also, they knew that to successfully tap and convert high-potential business opportunities in their two identified focus areas; OOH advertising space selling and network expansion, developing distinct skill sets would need more investments.

Pricing strategy

With increased sign-ups and installations from destination charging, earnings started to clock in slowly. The monolith model was the preferred charger type that was installed (Exhibit 4). Koshy explained, “installed in the destination segment, monolith chargers came fitted with a static screen that had an attractive payback period of 20 months.” From the beginning itself, SFE promoted a revenue-sharing model with property owners, where they also used a flexible pricing strategy with respect to charger utilisation earnings. Their agreements with hotel and hospitality chains typically included longer lock-in periods. Sometimes they did not even charge rent or installation charges for the charging station. This strategy aimed at safeguarding their capital investments and blocking competition entry.

In contrast to destination charging, city charging was characterised by low utilisation. So here, the emphasis was not degree of charger utilisation but, on how they could generate revenue from advertising space on the charger; considered an innovative OOH channel. City chargers were typically hosted in busy high-traffic areas which had a higher potential for grabbing customer eyeballs. The Adpod model, costing approximately INR [12] 800,000 to produce, offered a better payback period of 16 months. This model featured a built-in 55-inch screen managed centrally through programmatic digital OOH programs. Its sleek design attracted premium brands such as Audi, No More and RMIT.

SFE's flexible approach was apparent in the barter deals struck with select hotel chains. Here they monetised the earned "room nights" inventory and "sold" it to large online travel aggregators. Thus, yet another revenue stream was born. Koshy mentioned, "While the preferred option was to sell the EV charger and bundle it with an annual maintenance contract (AMC), we evaluated every new possibility with seriousness." They signed agreements with location owners or hosting partners assuring them of 15% of revenue earned per unit charge of electricity. SFE's demonstration of such a kind of flexible approach reflected two realities; that the market itself was constantly evolving and secondly as a new start-up they would need to consider even non-traditional revenue opportunities (Exhibit 5) to stay in the game.

Exploring new strategic options

To counter its small size and relative inexperience, SFE considered flexibility and creative vision as its strengths. Accordingly, they steered clear of direct head-to-head confrontations with their deep-pocketed rivals. But soon, SFE's success within the hospitality segment drew the attention of its competitors. "We knew that focusing solely on the hospitality segment could be a limitation. Therefore, to reduce any future vulnerability", Nayak explained, "we had proactively established a strategic think-tank who continuously evaluated suitable expansion strategies or alternate revenue opportunities" (Exhibits 6).

In light of the looming threat perception, three strategic opportunities that had been on the drawing board were jumpstarted for immediate action:

1. *City charging proposition:* Shelved in the initial stages, SFE decided to relook at the city charging segment in mid-2023 within the public charging domain. This followed an interesting insight regarding end-user's "range anxiety [13]." Typically, in the city charging segment, EV chargers located say at malls or commercial complexes had relatively lower utilisation rates. This phenomenon was because EV owners typically charged their vehicles overnight and this charge usually sufficed for any intra-city usage for that day. However, succumbing to range anxiety, users often sought out top-up charging services at workplaces or malls. Even though ideally SFE did not want to become one more player fighting for a small slice of charging revenue, they justified their entry because internal studies indicated a potential for advertising earnings from such high-traffic locations. Leveraging Mehta's extensive ad space inventory of nearly 15,000 screens and his expertise in the OOH space, SFE introduced the "Adpod" charger to cater to this segment of users. The specially designed charger featured two screens: a vertical backlit static billboard on one side and, a 55-inch digital screen capable of running ad content loops on the other. These screens could be centrally connected to provide real-time traffic feedback to participating advertisers.

   Therefore, Nayak pointed out that SFE's GTM strategy mirrored the management team's belief in the "last mover advantage." This concept was famously advocated by Peter Thiel [14], the founder of PayPal who advocated that in areas where technology was still growing and traversing the early stages of the hype curve, contrary to belief in some quarters, it may not be advisable to dive in first but rather enter later after studying learnings from someone else's experiences.

2. *Premium pitstops:* Their second strategy pivot refocussed on the highway charging segment. This opportunity intersected the destination charging segment, an area where SFE had by now gained experience. They observed that highway travellers in the luxury segment who embarked on leisure and adventure trips often travelled in small groups and tended to take multiple breaks at "pitstops" mid-journey before they reached their final destination. At these stops, they would relax, enjoy food and refreshments, entertainment options and also perhaps use facilities such as restrooms and car wash services. The interesting proposition for SFE this end-user segment overlapped with their own "segment of interest." So, SFE had an opportunity to "own" the customer's experience not just at the destination luxury resort that they were booked at but, also even before they arrived there.

   Nayak justified the move as he recalled research that revealed that 70% of purchase transactions at airports were non-discounted. He explained that similar behaviours would be apparent at these pitstops too. Having closely watched the behaviour of this segment carefully over the last two years they were confident that these premium high-spending travellers would be in a conducive mindset to spend freely at such a transit point or "pitstop" if conditions and amenities were up to their liking. They extrapolated the typical "dwell" time of these travellers and concluded that this opportunity had good profitability potential if executed well. The clear mandate for SFE's operations team would be to scout the right partner at the right location and curate high-quality experiences that satisfied the demands of such discerning visitors.

   Given their limited resources, they shortlisted routes originating to-and-from the previously identified eight cities and, hit upon an asset-light strategy for execution. The innovatively named "EV Roadhouse™ concept" – once again differentiated them from other competition i.e. other CPOs such as Servotech, Tata Power, Statiq and Jio-BP Pulse (Exhibits 7 and 9) who might have opted for an expansion through acquisition focus.

   The concept was modelled on an airport ecosystem, where multiple revenue opportunities converge at the airport, a transit point. SFE conceived the "EV Roadhouse™", as a transit port on the highway which offered the inbound and outbound traffic various services under one roof. Because they did not want to dilute their focus on EV charging, they envisaged that alliance partners would be chosen based on their ability to fulfil such a discerning premium traveller's transit needs. After finalising suitable locations and potential alliance partners. SFE aimed to lease out the premises to such service providers on a revenue-sharing basis. The envisioned asset-light platform connected SFE's EV chargers as well as OEMs, micro-CPOs and amenity partners. This project was in a very advanced stage and was expected to go live soon.
3. *E-Trails Community :* The third strategic execution revolved around their realisation of the power of the community. A community that was connected by technology but at the same time sought real-life experiences, SFE saw an opportunity in developing deep community bonds based on common interests (in this case, motoring and adventure enthusiasts). This power could then be harnessed to drive engagement, nurture loyalty and widen networks. This strategic initiative was branded as "E-Trails", and potentially opened up a new revenue stream with significantly lower investments. Additionally, it further cemented the brand positioning of SFE within the premium and lifestyle segment. Inspired by community marketing, the concept was spearheaded internally by Panag, who conceived had championed it.

E-Trails was essentially a platform that curated, presented and managed environmentally friendly or responsible motoring experiences for adventure and motor enthusiasts. In today's connected world, the shared voices and experiences of influential EV owners could potentially have an amplifying effect on social platforms especially as this interest-based community continued to stay connected. A schedule of a new adventure trail was published well in advance, and registrations were opened. Premium hospitality properties along the route with alliance or hosting partners were signed up by SFE's planning team. EV chargers were installed at their premises, free of charge. The pilot of the first trail from New Delhi to Chandigarh to Pushkar [15] was just completed and its success demonstrated the business potential of this concept.

The co-founders acknowledged that here, the alliance partner held the key to their success as they directly delivered the service at the last mile to the end customer. The management had been inspired by the non-zero-sum game theory [16], which explained that in any business alliance a mutual benefit must emerge for the relationship to thrive and strengthen over time. It signalled SFE's recognition that for successful long-term alliances, effort and investments were needed by both partners. As the key architect and prime mover, SFE had the most to lose or gain, and therefore, the team was tasked to ensure strong systems were put in place to prevent compromises in execution from either partner.

A window to a new opportunity

Keywords:
B2B marketing,
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GTM strategy,
B2B strategy,
Asset-lite strategy,
Game theory

Within a short time, SFE's focussed play had yielded gains, propelling them to a leadership position in a profitable and high-visibility destination segment of public EV charging. (Exhibit 8) Joshi remarked, "When we initially identified the hotel segment, it went unnoticed by many and was not considered worth their time and effort." However, SFE's success attracted competition and, the company knew that they would need to broaden their field of play to avert an existential crisis.

While within the EV sector, the tailwinds generated by domestic leisure travel, increased EV adoption and rising disposable incomes made it attractive, as a single-service company they were in a very vulnerable position. Therefore, the co-founders had bet heavily on three new strategic areas (Exhibit 3) hoping that successful pilots could potentially lift their fortunes in the short- to mid-term. While these programs were expected to deliver growth so that SFE could attract the next phase of investments to support their ambitious plans, Nayak understood that as a relatively new entity, they would need to quickly assess which of these strategic pivots would successfully lay the foundation for their future.

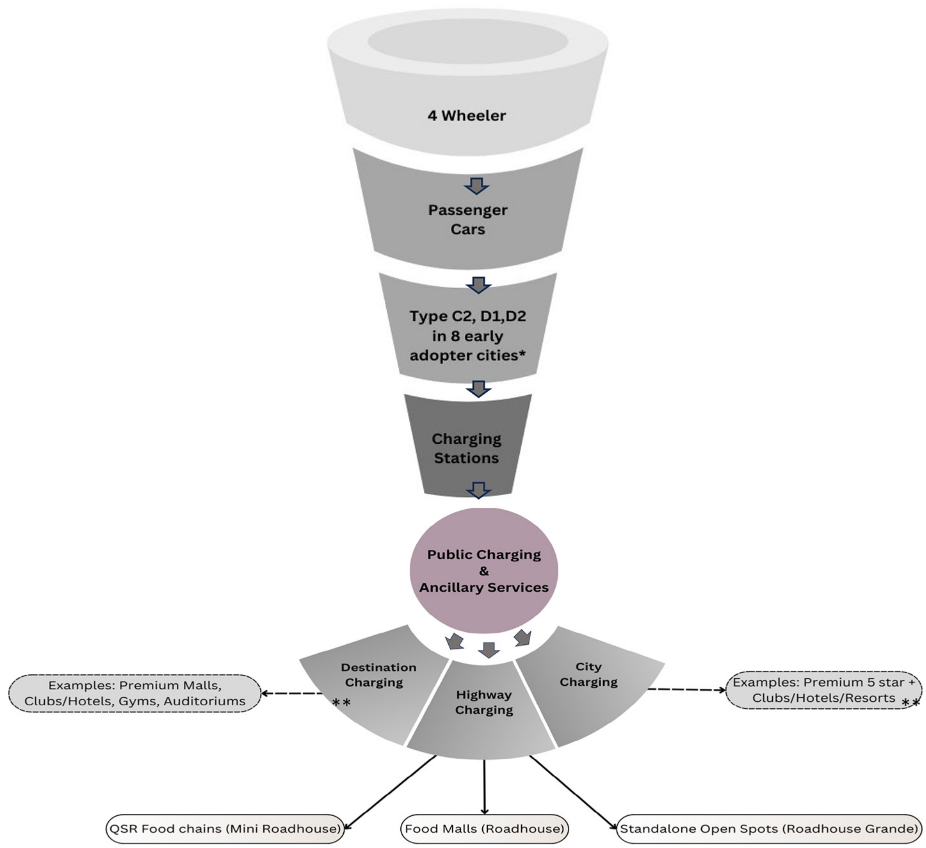
Notes

1. EV charging carried out during various points along a journey, rather than stopping enroute. It is commonly done at a place where one is staying, e.g. hotel, a friend's house or for a day out by EV drivers who are on a multi-stop trip.
2. Motorheads is a term used to describe a motor enthusiast
3. Pitstop denotes a resting or recharging place en route to a destination
4. https://www.statista.com/chart/31486/electric-vehicle-sales-in-india-by-year-and-type/
5. https://unfccc.int/process-and-meetings/the-paris-agreement
6. EV charging stations in India predominantly deployed Level 2 AC chargers (ranging from 7 kW to 22 kW) and, Level 3 DC chargers (ranging from 15 kW to 30 kW, with very few exceeding 30 kW). While the majority of EV charging stations currently consist of slow AC chargers (which necessitate several hours for a full battery recharge) recently, there has been a noticeable uptick in the deployment of fast DC chargers and ultra-fast chargers, particularly along highways.
7. E-Trails connected a community of passionate EV drivers sharing a love for adventure and nature trails.
8. SFE's Pre-launch internally commissioned market study
9. https://morth.nic.in/sites/default/files/circulars_document/order-merge.pdf
10. A charge point operator installs and maintains charging stations so EV drivers can charge their electric vehicles. CPOs can either own and operate a set of charge stations, or also just operate them for third parties. Charge point operator activities can be; Operational – purchasing charge stations, installing and maintaining hardware and, commercial – earning from the use of the charging infrastructure use and managing the connection to e-mobility service providers.

11. A marketing arbitrage opportunity could be described when marketers identify a channel or tactic with low saturation that they think can have high potential if leveraged quickly.
12. INR: Indian Rupee. The conversion of 1 INR is 0.012 USD
13. Range anxiety describes the fear that their EV will not have sufficient charge to complete its duty and is still perceived to be one of the greatest barriers preventing fleets from going electric. This insight followed experiences of users of early models of EV.
14. https://www.google.com/search?q=last+mover+advantage+peter+theil&rlz=1C1CHBD_enIN1020IN1020&oq=last+mover+advantage+peter+theil&gs_lcrp=EgZjaHJvbWUyBggAEEUYOdIBCTEwNjc0ajBqN6gCALACAA&sourceid=chrome&ie=UTF-8#fpstate=ive&vld=cid:09cda73b,vid:jliQQtnvO88,st:0
15. A town in Rajasthan a state in northern India that is a tourist destination.
16. The non-zero-sum-theory portrays a situation where one partner or decision maker's gain or loss does not necessarily result in the other alliance partner's loss or gain, respectively. In other words, winnings and losses of the players do not add up to zero so, everyone gains which potentially creates a win-win situation and stronger relationship with time.
17. EV charging carried out during various points along a journey, rather than stopping enroute. It is commonly done at a place where one is staying, e.g. hotel, a friend's house or for a day out by EV drivers who are on a multi-stop trip.
18. https://www.iea.org/reports/global-ev-outlook-2023/trends-in-charging-infrastructure
19. Upstream operations are those in which the materials flow into the organisation. Downstream operations are those in which materials (mostly in the form of finished products) flow away from the organisation to the customers. Similarly, the term logistics is used when talking about a business's supply chain.
20. Narasipuram & Mopidevi (2021).
21. OOH – out of home is a form of advertising
22. Introduced in the book *The Theory of Games and Economic Behavior* (1944) by von Neumann and Morgenstern
23. partners means firms or companies in the context of discussion
24. https://www.ey.com/en_gl/insights/strategy-transactions/how-asset-light-strategies-and-models-can-boost-business-growth#:~:text=An%20asset%2Dlight%20strategy%20or,a%20focus%20on%20core%20capabilities
25. Community marketing includes creation of group of consumers, suppliers or intermediaries having common goal, liking or usage of the product. It involves creating an engaging brand presence of particular product or services or organisation to interact with a community of existing customers as well as prospective consumers.

Exhibit 1. Market segmentation through funnel approach

Figure E1



Notes: *Early adopter cities were developed from an Internal commissioned study by SFE; **City charging specifically catered to those Units installed within the city. Destination charging may be located either inside or outside city limits. Therefore, a club/ hotel can be within the city while some could be located at a distance away from the city
Source: Recreated by authors

Exhibit 2. Sunfuel Electric’s value differentiation *vis-à-vis* other charge point operators

Figure E2

	Other CPOs	SunFuel Electric
Revenue independent of electricity arbitrage	✗	✓
High-end location viability despite low utilization	✗	✓
Viability of high-CapEx ultra fast DC Chargers	✗	✓
Luxury EV / Large battery charging experience	👎	👍
Small Electric vehicles covered	✓	✓
Fleet focus to aid high utilization	Yes	No

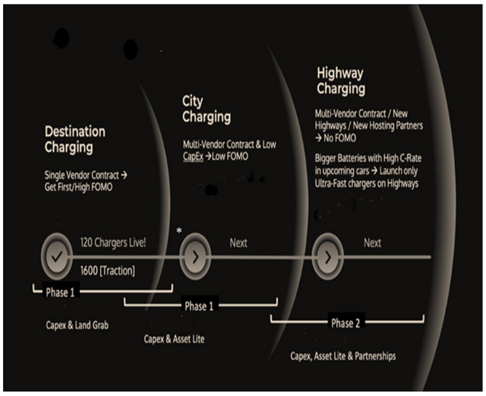
Other CPOs: Business Model neither allows for ultra-fast chargers nor A+ locations (since utilization is low) spawning low end EV and fleet focus

SunFuel Electric: Business Model allows for state-of-the-art fast chargers installed at high end locations suitable for luxury and small EVs

Note: CPOs = Charging Point Operator
Source: Company records

Exhibit 3. Go-to-market strategy

Figure E3



Monthly Tracker of Key Success Factors from each of the initiatives

- new unique users
- repeat users
- number of new locations live
- new sign ups (B2B hospitality partners)
- network of active charging stations
- orders installed vis a vis orders on hand
- time to install from date of order
- number of charging points installed per location
- average utilization time (%) of installed charger
- revenue from advertising
- net revenue from utilised hours (less service fees payable to alliance partners).
- EV trails – registrations and actual participants, charger utilization at hosting partner
- EV Roadhouse – Number of Alliance partners identified, signed and commissioned / live on-premise, charger utilization at the EV roadhouse location

Notes: *FOMO = fear of missing opportunities; *C-rate: a measure of the rate at which a battery is discharged relative to its maximum capacity. A 1 C rate means that the discharge current will discharge the entire battery in 1 h
Source: Company records

Exhibit 4. Sunfuel electric's charger models

Figure E4

Monolith Charger AdPod Charger

Source: Company records

Exhibit 5. Potential revenue streams

Table E1

		Revenue stream				
Opportunity segments	*Business arrangement with B2B* partner*	*Advertising revenue*	*Services at EV Roadhouse (pitstop)*	*Retail tie ups*	*Community offerings with partners*	*Charging revenue*
Destination charging	Revenue share	√			√	√
City charging	Revenue share and/or rentals	√			√	√
Highway charging	Revenue share	√	√	√	√	√

Note: *B2B = business-to-business model
Source: Company records

Exhibit 6. Scaling up levers

Table E2

Opportunity segments	*Business arrangement with B2B* partner*	*Scaling up levers* Capex – invest in differentiated/ unique properties	*Asset-lite – franchisee model*	*Partnerships and alliances with OEMs***
Destination charging	Revenue share	√		
City charging	Revenue share and/or rentals	√	√	√
Highway charging	Revenue share	√	√	√

Notes: *B2B = business-to-business model. **OEMs = original equipment manufacturers
Source: Company records

Exhibit 7. Highway segment offering – roadhouse execution concepts

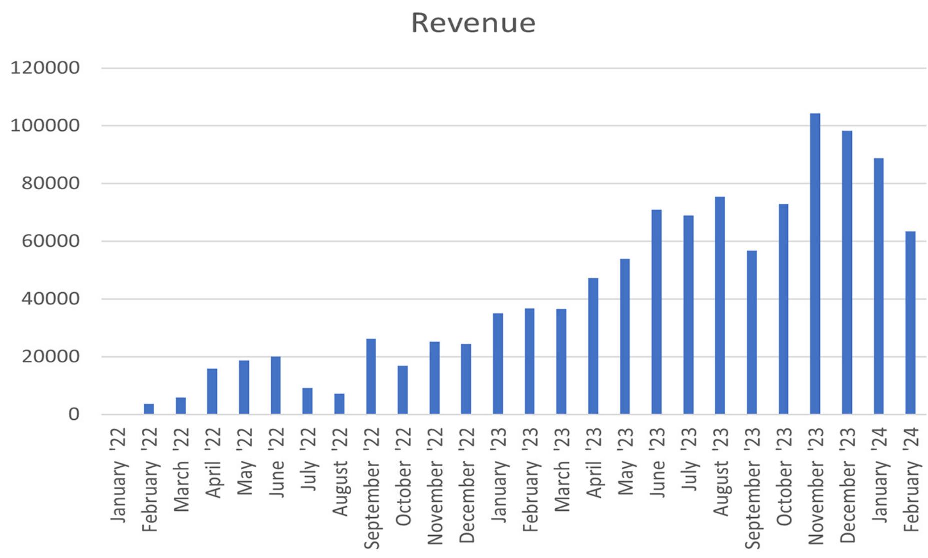
Table E3

Hosting arrangement	*EV Roadhouse lite Within existing establishment*	*EV Roadhouse Within existing establishment*	*EV Roadhouse Grande Owned highway establishment*
Charger type proposed	Single, scalable, modular	Multiple, scalable	Fully scaled
Retail partner	No	Yes	Yes
Value added service	No	Yes	Yes
Advertising	Yes	Yes	Yes
Coverage area	Small	Large	Very large/Grand
Charger capacity	120 kW to 240 kW	350 kW	350 kW
Investment type	Sunfuel, OEM, Asset Lite	Sunfuel, OEM, Asset Lite	Sunfuel, OEMs*, Asset Lite
Site ownership	Alliance partner**	Alliance partner	Sunfuel

Notes: *OEMs = original equipment manufacturers; **Alliance partners: example – QSR chains, food malls and standalone open spots
Source: Company records

Exhibit 8. Monthly charging revenue and number of charging sessions

Figure E5



Notes: *Tech glitch was detected in September 2023 and rectified. Data for February 2024 is for three weeks Dip Feb due to seasonality impact contributed after the end of the holiday season in India. Y-axis depicts the revenue in INR million and does not include OOH revenue earnings
Source: Company records

Exhibit 9. EV charging services competitive space

Table E4

Operator name	*Brief description*	*Tie-ups and projects*
Servotech.	Servotech Power Systems Ltd. ventured into the CPO business through its wholly-owned subsidiary, Servotech EV Infra Pvt. Ltd. Aims to establish 5,000 EV charging stations across India. Parent company Servotech Power Systems is an EV charger manufacturer	Tie up with major PSU oil marketing companies with 2400 plus installations of charging stations
Tata Power EZ charge	Presently India's largest operator. End to end customised solutions offerings; back-end power infra, EV chargers of various wattage, Installation, AMC, charger management Software platform and mobile app. 4,900 charge points, 6,000+ home chargers and 400+ E bus charging points.	Tie up with HPCL to install nationally at their petrol pumps. Partnered with Tata Motor (group company) to set up 300 fast charging stations in Mumbai, Pune, Delhi, Bengaluru and Hyderabad. Present in 450 towns in India
Statiq	Bansal and Arora founded Sharify Services, under the brand Statiq, which offers a nationwide network of charging stations for electric vehicles. The company raised $27.5m and is expected to generate revenue of $9.9m in 2024	As of May 2024, Statiq has 7000+ EV charging stations across the country. It presents its services through the Statiq mobile app
Magenta charge grid	Magenta has set up standardised charging solutions that are suitable for different types of electric 2 wheelers, 3 wheelers and 4 wheelers	
Jio-bp pulse	Malls, highways, residential complexes, kerbsides, fleet depots, parking lots, petrol fuelling stations, we have it all covered!	Coverage has not been specified
Blusmart	Apart from being India's 1st EV ride-share company also has an EV charging infrastructure network in Delhi NCR and Bengaluru	
GILDA (formerly Fortum)	GLIDA has operationalised 311 chargers with 454 charging points across 15 states, six highways and 20 cities	
Fortrum India	End-to-end charging solutions; solutions and services for EV charging for utilities CPOs, EMPs, OEMs and workplace charging and fleet management. Fortrums charge and drive platform	Tie up with MG across Mumbai. Delhi. Bengaluru, Hyderabad and Ahmedabad. Also present in 38 locations in Hyderabad
Okaya power group	Offers EV charging stations and installations of EV chargers nationally	Strategic partnership with Prakriti E mobility 4W fleet operators. To set up 200 multi-standard EV chargers in all metros
Voltic	End-to-end charging solutions including AC, DC and DC fast chargers for Home, city and highway charging segments including CMS and end-user apps	
Charge+zone	Founded in 2018 and offers customised and turnkey EV charging solutions. Deploy for electric buses, cars and 2 and 3 wheelers. Swapping stations for 3 wheelers	More than 3,500 charging points and 1,500 EV charging stations live. Covers 37 Indian cities

Notes: CMS = charging management system, is a software platform to manage EV charging stations
Source: Information collated from Public Sources and company websites by authors

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