

## Vittoria – VITTORIA2GO: PREMIUM TYRES AS A SERVICE Project



### Description of needs raised by Customer for Vittoria Project

Vittoria is a world leader in bicycle tyre manufacturing that supports and constantly innovates products and services towards a digital perspective. Vittoria aims to renew cycling by bringing subscription as new business model, capable of reducing uncertainty in operating costs matching customer needs.

Vittoria’s first customer is *Swapfiets*, a bike-rental company, which ensures to provide to its final customer a bike that always works. Predictability of bike maintenance, through usage data analytics, is critical to its business. For this reason, Swapfiets, as many other players in market, needs to engage a tyre supplier able to take charge of operations along tyre life cycle ensuring cost predictability thanks to the subscription business model.

Vittoria2Go is a new and never done before product that allows customers to not buy a tyre but subscribe to a tyre and pay on monthly bases. The monthly fee includes multiple services besides tyres supply, such as refunds for maintenance and product cost related to a tyre replacement (in case of puncture or worn tyre) and tyre disposal service. The operating process is represented in the image below:

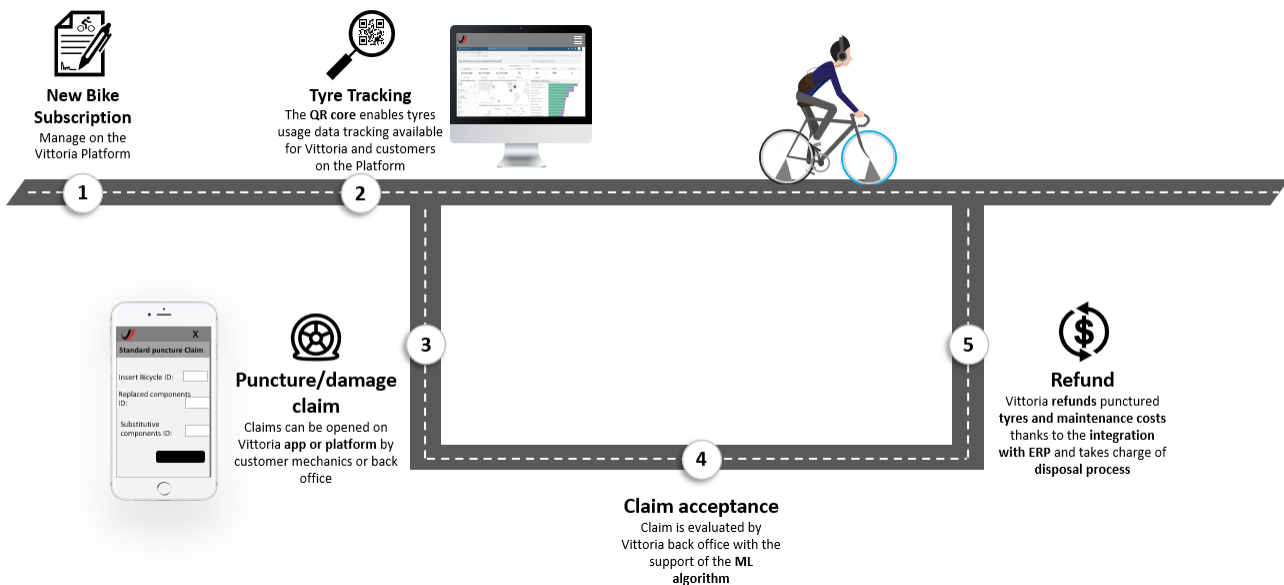


Figure 1. The operating process

This kind services based on subscription model need a technological solution able to support continuous changes in plan conditions, subscription upgrade or downgrade, complex billing system in addition to a claim management system.

## Description of technological solution

Vittoria's solution is defined by a platform able to:

- Manage multiple subscription fee plans
- Track tyres usage providing predictive maintenance and performance reports for Vittoria and its customers thanks to ML & AI Technologies
- Manage claims opened via app or platform by the customer using the QR code technology. In addition the claim management is supported by a ML algorithm that requires proof of damage for suspicious claims
- Organize complex billing of subscription plans
- Enhance engagement and communication between company and customers

The high-level solution architecture, represented in the image below, is formed by multiple tools:

- Front-end tool for customers to manage subscription and claims
- Claim management portal supported by intelligent ML algorithm
- Business Intelligence tool for predictive performance and maintenance reporting

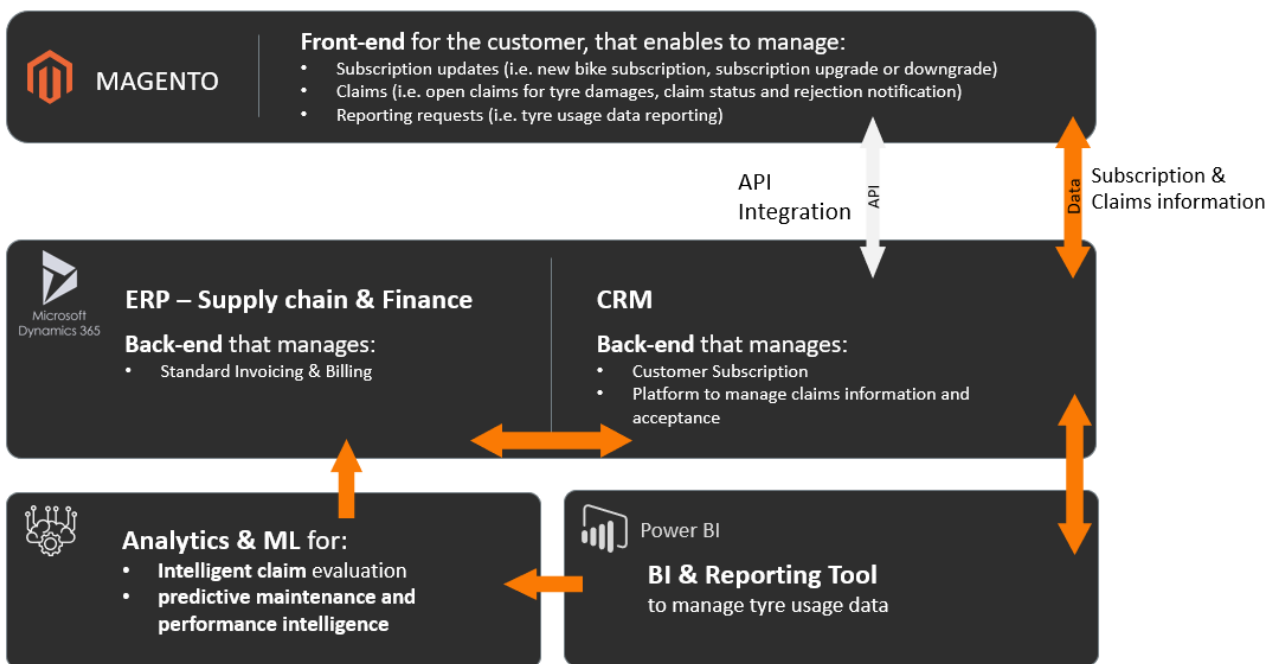


Figure 2. High-level Solution Architecture

## Description of project phases

Project has been developed within 3 phases with the aim of gathering pilot needs and quickly adapting to market changes and requirements:

- **Subscription Model Design:** Analysis of market needs for tyres' subscription model, definition of the operating model and a value-based pricing model, IT assessment of available tools to manage subscription and claims, definition of business and functional requirements for Pilot implementation. This phase ended in January 2021. Analysis, modelling and negotiation with the customer for a 3 year



contract has been carried out by Vittoria with the support of a Technology and Strategy consulting company with specialization on subscription business Digix srl.

- **Subscription Model Implementation:** MVP deployment for pilot project with Swapfiets in order to manage subscription upgrade or downgrade, usage data reporting, claims and notification management, bulk upload of customer's claims and subscription billing. Developing of API integrations between tools and enabling Machine Learning technology for intelligent claim management and predictive maintenance reporting. The Implementation phase will be managed using Agile and Scrum methodologies, with a support of mixed team of consulting firms and has been concluded in May 2021.
- **Continuous Improvement:** This follow-up aims to expand solution to a growing number of worldwide users, deploy functionalities based on future customers' needs and market trends, with the aim of enlarge the offering to final users and create the first marketplace dedicated to the cycle world

### Description of project's benefits

The tyres-as-a-service model leads to reputational, financial and operational benefits for both Vittoria and its customers.

Vittoria benefits in term of brand and sustainability awareness, it increases customer loyalty creating long term relationships that bring recurring revenues and maintaining standard operational processes thanks to the support of disruptive technologies able to support subscription management and exploit power of data with ML & AI technologies.

Customer can access to top-tier product and being part of an innovative and sustainable ecosystem, better control its costs outsourcing the operational risk managing subscription and claims from a centralized portal able to provide useful insights on tyre performance and maintenance.

### Description of distinctive elements

The innovative business model enables evolution and digitalization of customer-supplier relationship, supported by a user-friendly platform that allows direct contact between Vittoria and B2B customers and centralization of subscription management, promoting a sustainable ecosystem in the market composed by valuable partners.

Moreover, the solution based on cutting-edge technologies such as ML and AI that enable predictive analysis on tyre usage, makes Vittoria a pioneer in the bicycle tyre market where IoT sensors cannot be managed. Finally, the platform is characterized by high scalability in term of industries and components involved in the subscription services allowing a global and rapid deployment.