

**A subscription
service by**

TIER



myTIER

The new myTIER e-
scooter subscription

2021

**Business
model
innovation**

MY TIER

**Turnkey
solution**

Powered by  **circuly.**

How TIER Successfully
Launched a Subscription Pilot, myTIER, with circuly.

Success Story



Part 1 | Summary & Introduction.

- Executive Summary
- Collaboration Overview
 - **The Customer:** myTIER.
 - **The Challenge:** Overcome operational complexities.
 - **The Solution:** Expertise, processes & software solution to build a scalable model.
 - **The Benefit:** Optimise processes and run the subscription business cost-efficiently.



INTRODUCTION & SUMMARY

Executive Summary.

A micro-mobility company on the mission to change mobility for good.

TIER Mobility is a **micro-mobility** company that is on the mission to change mobility for good by providing sustainable ride-sharing solutions to its customers.

Constant product innovation.

Based on feedback from cities and its users, TIER constantly evolves scooter models and improves the features to serve its customers in the best possible way.

Introduction of new e-scooter model with swappable batteries.

TIER introduced new scooters with swappable batteries in 2019 to provide more **flexibility** and a better designed e-scooters to their customers.


Giving a second-life to their old-gen e-scooters.

Being a sustainability-driven company, TIER decided to give their old-gen e-scooters a second life on the road by selling them directly to customers for private use.



TIER introduced a new e-scooter design with swappable batteries in 2019.

TIER was the first **micro-mobility** provider to offer e-scooters with swappable batteries in Europe. But introduction of a new design also meant that the old scooters needed to be taken off the road.



“

For us running such a subscription business and managing all the subscriptions would be impossible without circuly running in the background.

Franz Crux, myTIER



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INTRODUCTION & SUMMARY

Collaboration Overview.



The Customer

TIER Mobility is a micro-mobility company that provides sustainable ride-sharing solutions to its customers. When TIER introduced a new scooter design with swappable batteries, they decided to sell the old-gen models directly to the customers for private use under the brand myTIER.



The Challenge

myTIER didn't anticipate the challenges that come with the subscription model and since running such a business model is fundamentally different from the sales model, myTIER was met with operational complexities such as revenue collection, increased burden on customer support, fraudulent customers.

*circuly offers a lot of things that help us take care of our subscription business. **We just love it.***

Franz Crux, myTIER



The Solution

circuly provided myTIER a subscription management software solution to automate subscription operations along with modules such as credit checks to avoid fraudulent customers, and automated communication flows to reduce burden on the customer support team. Additionally with circuly's expertise in shop systems and payment service providers myTIER was able to overcome the limitations of these systems and scale their processes with dedicated subscription management solutions.

*With circuly you don't need a 100 people customer care team to manage a subscription business but can keep it very **cost-efficient.***

Franz Crux, myTIER



The Benefit

With circuly, myTIER can run its subscription business cost-efficiently and can use circuly's expertise and subscription-specific modules in optimising their processes, learning more about their product and maintaining a solid customer relationship.

RIDE WITH PRIDE



Part 2 | About myTIER.

- The story behind myTIER
- myTIER's rental model explained





ABOUT MYTIER


The Story Behind myTIER.


Initial **idea sell scooters.**


The initial idea with the launch of myTIER was to sell scooters directly to customers and to give the old generation scooters a second life on the road.


- 

2018
Founded
- 

Germany
Origin
- 

Berlin
HQ
- 

Technology
Industry
- 

160
Locations
- 


1264
Employees

An important step in becoming climate neutral.

Launching myTIER was a crucial step in TIER's journey of becoming climate neutral. But soon after started running out of scooters that they could sell. Moreover selling scooters didn't ensure that the scooters will not end up in landfills once they've lived their life cycle.

TIER launched the myTIER brand to give its e-scooters a second life on the road.

The old-gen scooters were made available under the brand myTIER to customers for private use after refurbishing.



MY TIER

Present model: rent scooters.

myTIER therefore decided to change the business model from sales-based to subscription-based, also because recurring revenue from subscriptions is more valuable than one-time sales.

myTIER became the subscription arm of TIER. Old e-scooters were offered to customers as a monthly subscription service.



RENTAL OFFER

myTIER's Rental Model Explained.

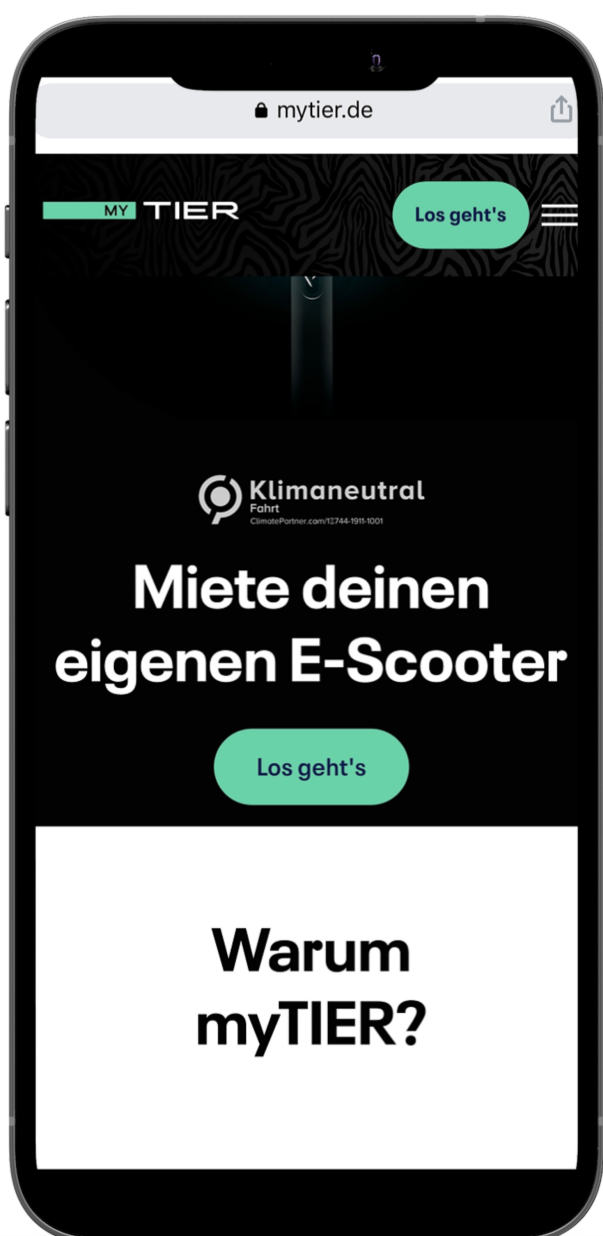
myTIER: Giving a second life on the road to old-gen e-scooters.

myTIER is a subscription service for old generation TIER scooters. e-scooters are available to customers for private use all **across** Germany; even in remote locations.

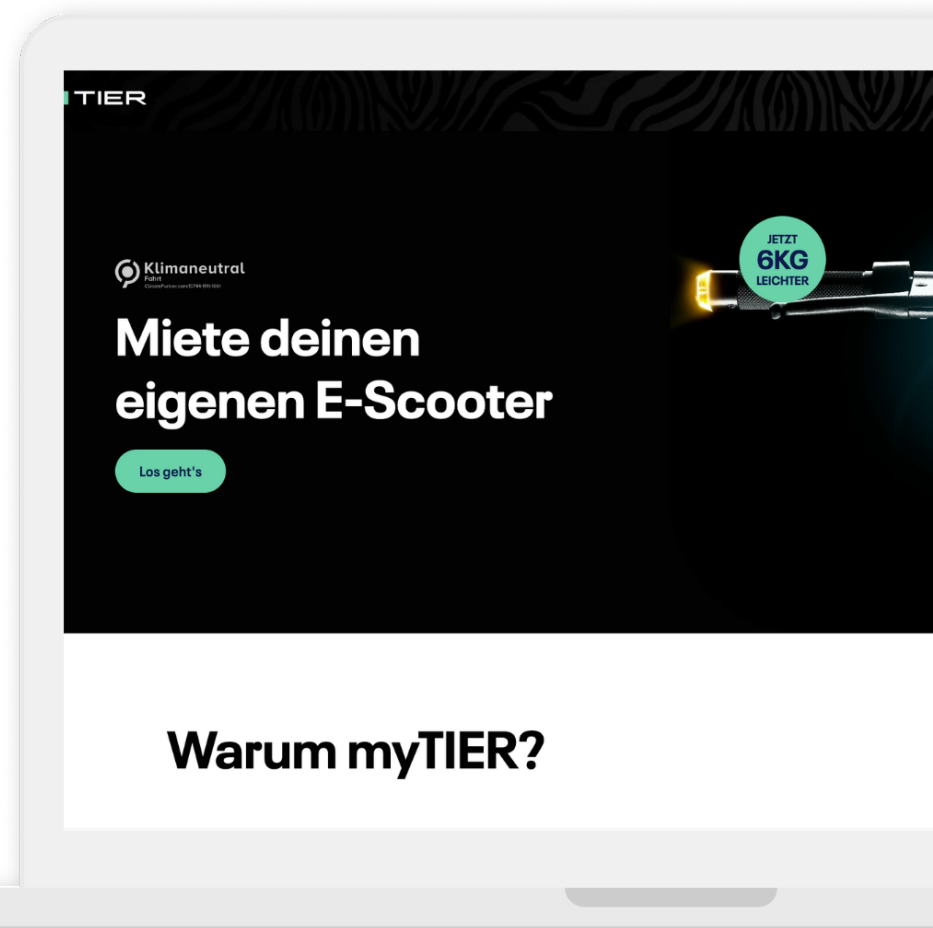
RENTAL OFFER

Products offered

Only one variation of e-scooter is available on myTIER's e-commerce shop.



MY TIER

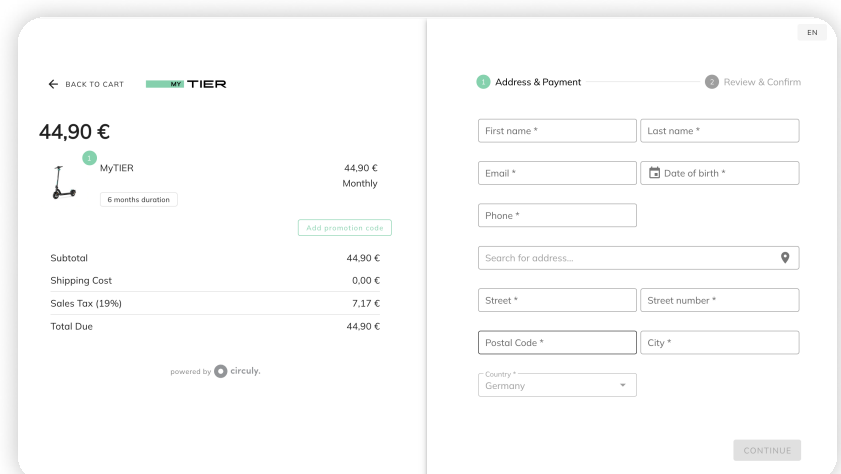


RENTAL OFFER

Customer Journey

1. Selecting a product - Before proceeding to a product overview page, myTIER customers can read more in depth about the e-scooter. Additionally they can select the subscription duration which shows the overall subscription price.

2. The checkout page - After reading about the product and selecting the desired subscription duration, customers proceed to the checkout page. The checkout page summarises their selection. There is no sign-up or account creation step on the checkout page. Having a clean and fast checkout optimises conversions and adds to a solid customer experience.



3. A self-service portal - In the self-service portal, myTIER customers can manage certain and the most common aspects of their subscriptions. The customers get the desired transparency and flexibility and the myTIER team is able to reduce some burden on their customer support team.



Part 3 | Launching a Rental Model.

- Why myTIER decided to launch a rental model?
- What challenges did myTIER face and how circuly helped in overcoming these challenges?
- How circuly supports myTIER in running their everyday business?

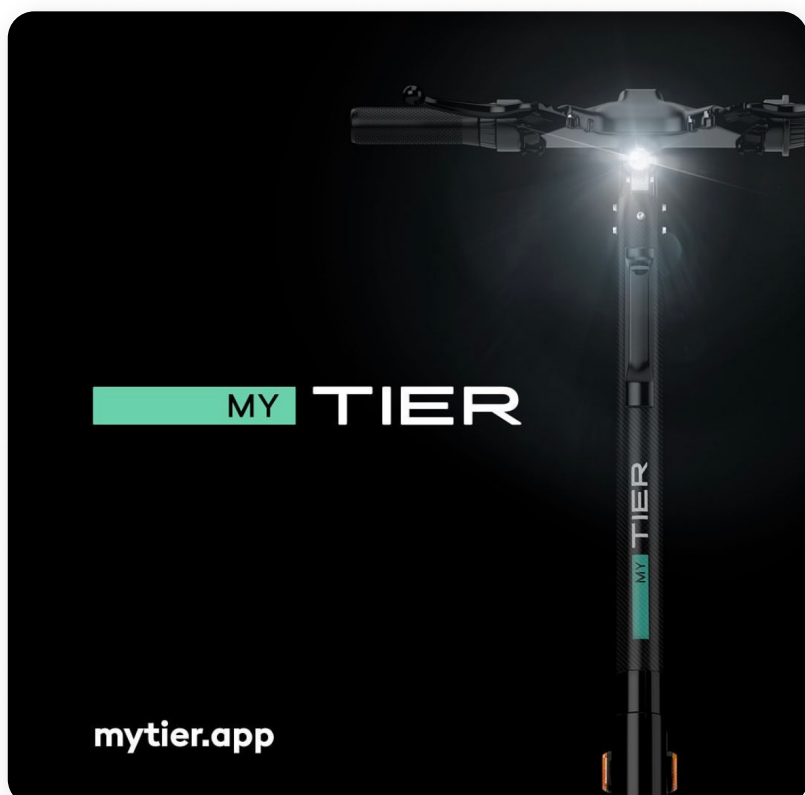


WHY LAUNCH

Why myTIER Decided to Launch a Subscription?

In an interview with myTIER we asked Franz Crux (Operations & Project Management Lead) why myTIER launched a rental model in the first place. Here's what he said:

- 1 Rising opportunities in the reCommerce sector.**
- 2 Attraction from the customers for flexible and dynamic mobility solution.**
- 3 Lower financial barrier and higher willingness to pay in comparison to purchase.**

**WHY RENTALS**

1. Rising opportunities in the reCommerce sector.

The recommerce market, driven largely by millennials and Gen Z, is currently booming. A major shift to recommerce is due to the fact that recommerce is no longer associated with low-value products. Now, even luxury brands are offering slightly used, high-end products. The foundation of recommerce, however, is in the concept of circular economy - a system aimed at eliminating waste which of course is very attractive for Millennials and Gen Z who care more than ever about sustainable commerce.

“

We are in this market because we have seen enough studies and experienced the request from the customers.
There is a definitive move towards sharing.

Frany Crux, myTIER

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WHY RENTALS**2. Attraction from the customers for flexible and dynamic mobility solution.**

TIER solutions are predominantly available in city centres where there is abundant availability of other mobility solutions. However there is a huge consumer group that does not have access to flexible mobility solutions. With myTIER, TIER is providing mobility solutions to customers even in the most remote corners and fulfilling its mission of making mobility available to everyone.

“

*Sharing models (pay per minute or free floating) are normally available in city centres but with myTIER we are providing mobility solutions to people in **every corner of Germany.***

Frany Crux, myTIER

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WHY RENTALS**3. Lower financial barrier and higher willingness to pay in comparison to purchase.**

Amid the pandemic, the consumer behaviour changed drastically. People became very cautious with their money and avoided making huge financial commitment. The interest in “owning” also diminished. However subscriptions provided an easy alternative to buying. When consumers buy a product they have to keep it whether they like and use it or not. With subscriptions, that burden is reduced. Customers can get access to a product for a fraction of the price which not only reduces the financial burden but also makes it possible for the customer to try out something new without making a huge commitment.

“

*The barrier to get access to a product is higher when it is sold for a one-term price but is **reduced in a subscription business model.***

Frany Crux, myTIER

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CHALLENGES & SOLUTION

Challenges Faced by myTIER & the Solutions Provided by circuly.

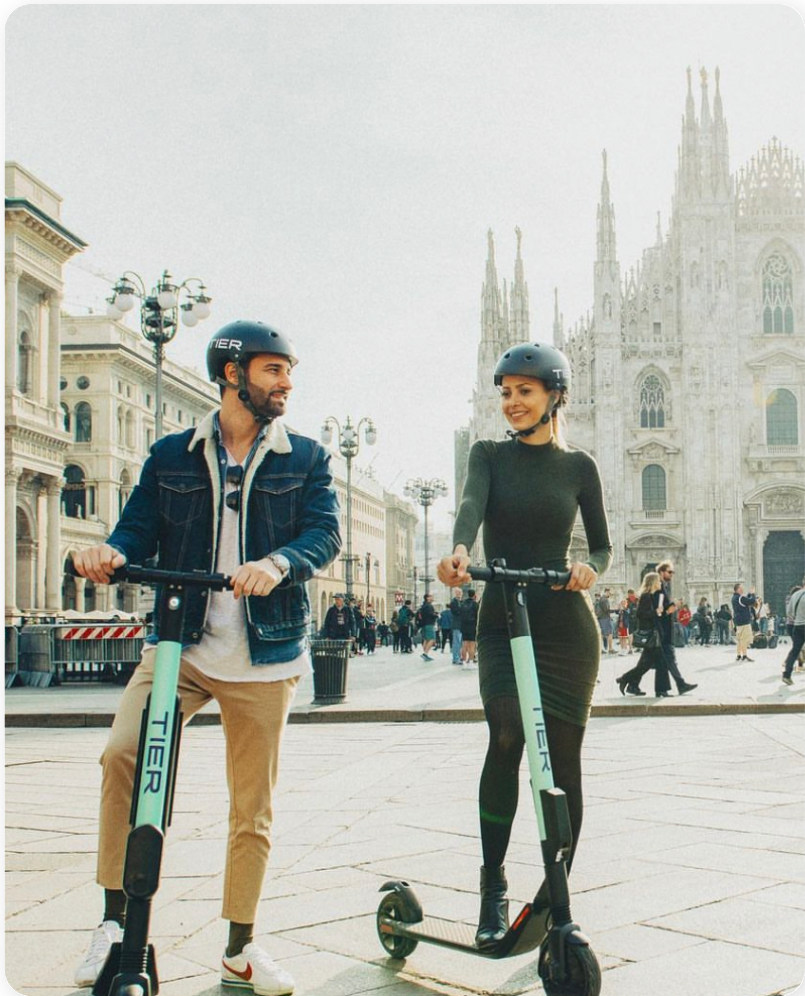
A subscription business is fundamentally different and therefore requires dedicated solutions. Listed below are some of the challenges faced by myTIER in running their subscription business.

- 1** Determining customers' credit worthiness.
- 2** Reducing burden on customer support.
- 3** Maintaining a seamless information flow.

CHALLENGES & SOLUTIONS**1. Challenge: Determining customer's credit worthiness.**

Subscriptions lower the financial barrier of getting access to a product. 7/10 times it is a good thing as it can help increase the customer base by making products attractive and available to a larger audience group.

But subscriptions also attract customers who have a low credit score or are not creditworthy.

**Solution: An integrated credit check solution to determine credit worthiness.**

circuly provided a credit check solution that helped myTIER in determining the creditworthiness of their customers in real-time and rejecting customers with low credit score on the checkout page itself.

*We needed to make sure that customers can pay for their subscriptions and therefore implementing a credit check **solution with circuly was a huge relief.***

Frany Crux, myTIER

CHALLENGES & SOLUTIONS**Challenge: Reducing burden on customer support.**

The needs of a subscription business are different also because the interaction between the customer and the seller is longer. Since customers think that they don't own the products and are merely using the service, they often tend to contact the "owner" (in this case the seller) for all minor and major issues. This typically leads to increased burden on the customer support team and as the business grows, the burden increases.

Solution: A self-service portal to manage subscriptions.

circuly provided myTIER the possibility to provide their customers a self-service portal where they can manage various aspects of their subscriptions thus reducing burden on their customer support team.

“

With circuly's customer portal we are a huge step closer to automating things and taking some burden off of our customer support team.

Frany Crux, myTIER

”

Solution: Automated customer communication that eliminates manual work.

circuly provided myTIER automated email communication touchpoint so that myTIER can keep their customers informed and provide them the necessary information with minimal or no manual effort. The customer gets the information they need when they need it without any delays.

“

For us it is important to minimise customer care touchpoints by giving the information to the customer that they need when they need it fully automated. circuly automates this customer communication and helps to eliminate manual work from our customer support.

Frany Crux, myTIER

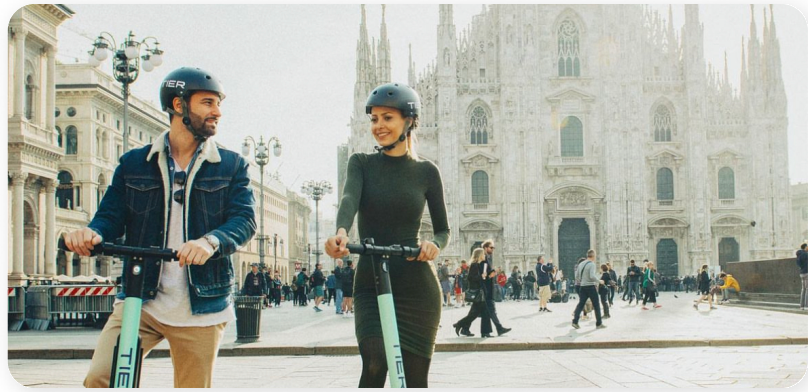
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CHALLENGES & SOLUTIONS**Challenge: Providing information to customers when they need it without manual effort.**

An average present-day consumer is subscribed to multiple subscription services. In order to make sure that the customer is not met with any surprises on their credit card, the communication flow needs to be seamless. But manual customer communication requires a huge customer support team which is not very cost-efficient.

BENEFIT OF CIRCULY

How circuly Supports myTIER in Running Their Everyday Business?

**BENEFIT OF CIRCULY****1. Expertise in subscription business models.**

“
Circuly has a good overview of all the data related to subscriptions, orders, customers, scooters (product) and the overall setup of all these.
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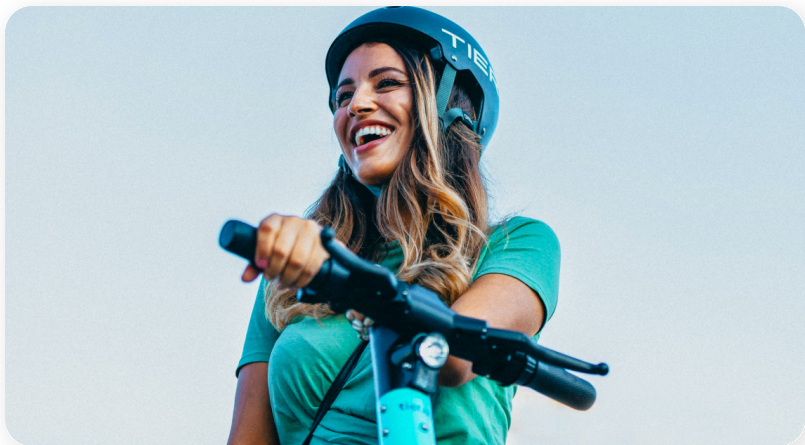
Franz Crux, myTIER

- 1** Expertise in subscription-business models.
- 2** Comprehensive data points to make business decisions.
- 3** Expertise in building solid customer journey for subscription businesses.
- 4** Reduce burden on customer support.

BENEFIT OF CIRCULY**2. Comprehensive data points to make business decisions.**

“
All the data that we need to run our every day business is in circuly.
”

Franz Crux, myTIER



BENEFIT OF CIRCULY**3. Expertise in building a solid customer journey for subscription businesses.**

“

We sometimes see circuly like Facebook for every part of the customer journey - Facebook for customers, which is the customer profile and Facebook for scooters, where we know everything about the scooter.

Franz Crux, myTIER

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BENEFIT OF CIRCULY**4. Reducing burden on customer support.**

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We're huge fans of circuly's communication setup (email templates) that go out automatically at different stages of the customer journey.

Franz Crux, myTIER

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Part 4 | Expectations & future outlook.

- What are myTIER's expectations with their new subscription business?



EXPECTATIONS

myTIER's Expectations with Their Subscription Business.

myTIER expectations are centred around their product. Given below are some of their expectations from their new business model.

- 1 Identify repair and refurbishing requirements of the scooters.**
- 2 Build a knowledge base of the most common repair cases.**
- 3 Optimising the rental cycles and making them efficient.**

EXPECTATIONS

1. Identify repair and refurbishing requirements of the scooters.

myTIER's KPIs are majorly centred around their product. In the long run they want to find out more about their product in terms of its repair and refurbishing needs. Questions that they are hoping to answer - for example how many repairs does a scooter need per year, how much does the repair costs.

EXPECTATIONS

2. Build a knowledge base of the most common repair cases.

The most expensive part of a subscription process is the reverse logistics. Since shipping of new products and reverse logistics of old products is expensive, myTIER wants to figure out if they really need to get the product back or if the problem can be solved by the customer by adjusting small things. This can be done by building a knowledge base of the most common repair questions and supporting customers with a product or support page before they reach the customer support.

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*Our customer support encounters a lot of edge cases and **circuly is a huge help in identifying these edge cases and finding solutions for them.***

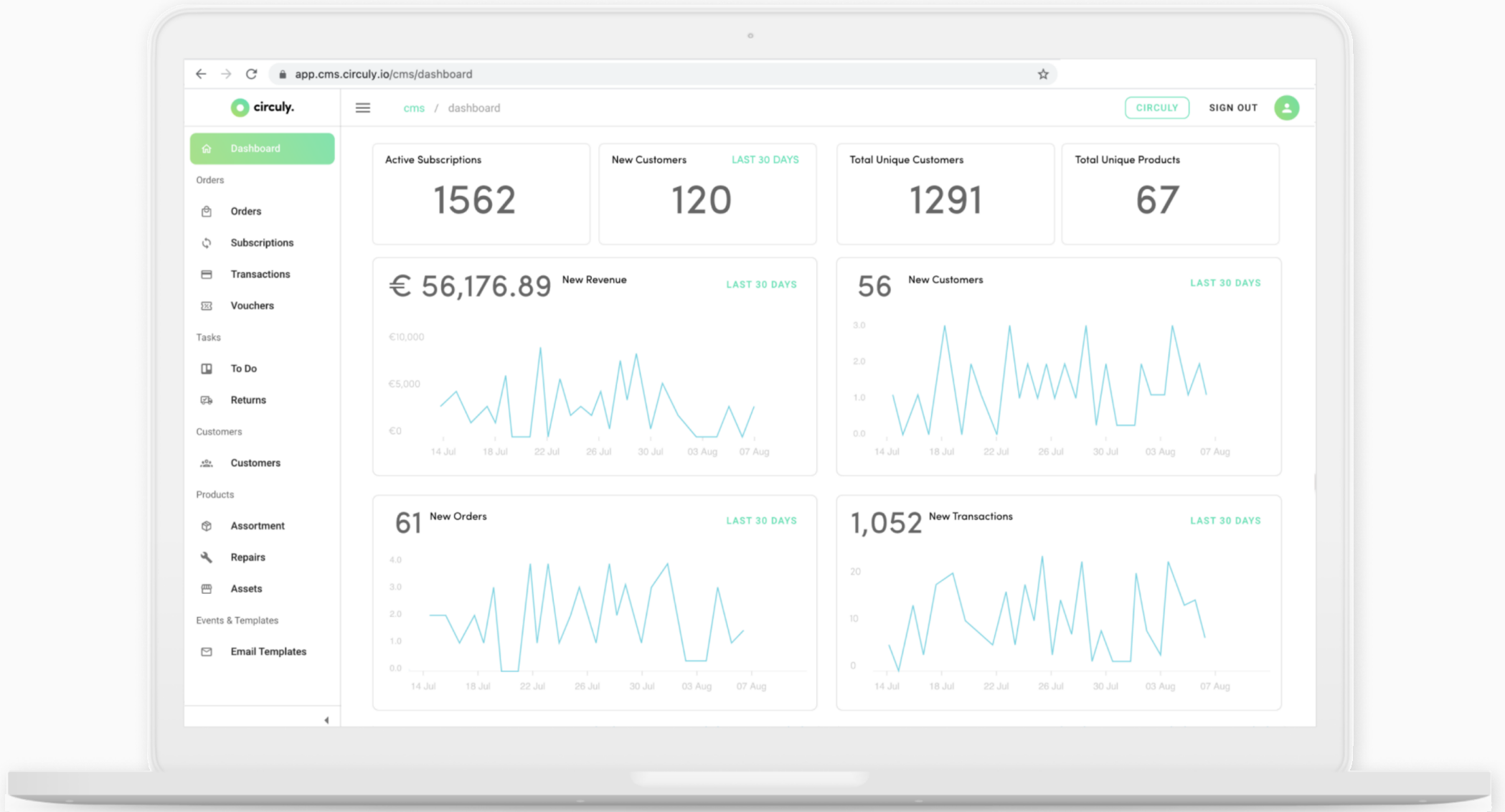
Franz Crux, myTIER

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EXPECTATIONS

3. Optimising the rental cycles and make them efficient.

When designing the customer journey myTIER worked out all possible scenarios that their customer and their product go through. With this knowledge they want to find out more edge cases and optimise the rental cycle so that a returned scooter can immediately go to the next rental cycle.



Part 7 | About circuly.

- About circuly: a turnkey subscription management solution



WHY CIRCULY

About circuly: A Turnkey Solution.

circuly is an **API-powered subscription management software** for physical products that makes renting products via eCommerce as easy as selling them online.

We support companies of all sizes to **develop, launch, manage and scale** subscription-based business models for physical products.

With circuly you can do the following:

1 Develop a new sustainable business model within months.

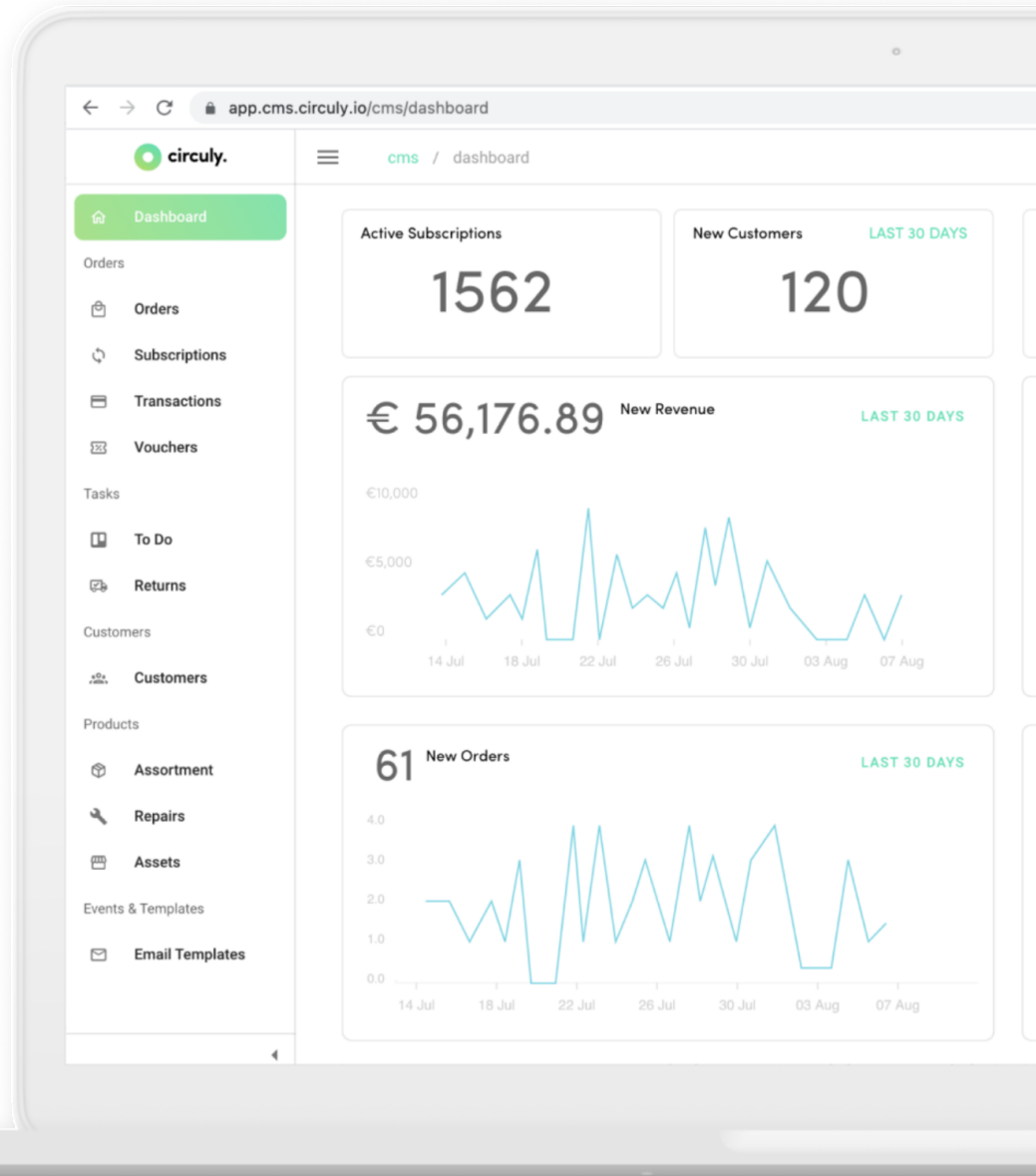
We support you in business model innovation, developing a sustainable business model from scratch and launching it within months.

2 Stay focused on your core competence.

With circuly you can continue to focus on your core competence, brand and customers. We take over the responsibility of business model innovation and bringing your customer journey to life.

3 Participate in the growing recommerce market.

circuly supports you in exploring the subscription landscape and learning from it to build sustainable and circular businesses of the future while increasing your revenue potential.



“

*If we didn't have circuly we would have to build something like circuly ourselves. For us, **circuly was the most cost-efficient** way to launch and operate our subscription business.*

Franz Crux, myTIER

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Get in touch



circuly.

www.circuly.io