

## **Executive Summary**

***“MyCar – Truly Yours, Whatever, Whenever @ Lower costs, However!”***

MyCar is a private car rental service, which aims to enable middle to low income customers to enjoy the facilities of a privately owned vehicle at very low rentals ranging from S\$ 2 to S\$4 per hour, with no other costs – fuel, membership or registration.

MyCar has two main revenue streams, which enable the provision of the service to consumers at low rentals. **The major source is advertising revenue & value added services (accounting for 64% of the total)** by providing the vehicle's external as well as internal spaces to various companies, intending to advertise. The outside will function as a mobile billboard while the inside of the vehicle can be used for strategic advertising focused on the occupants of the vehicle. The second source of revenue is the hourly rental charged from the users of the vehicle, which accounts for 36% of total revenue.

The plan, a private car rental, departs from the traditional car rental models as it is very cheaply priced, comparable to the base fare of (S\$ 2.4) a taxi in Singapore, uses 100% electric cars, which apart from freeing the consumers from the hassle of re-fueling the car are completely environment friendly, and uses advertising as a subsidizing factor.

The plan currently envisages the Singapore market only due to the extremely high cost of private car ownership due to government regulations. However there are other markets like Mauritius, Malta, Sri Lanka, Fiji etc. where the plan can be effectively implemented.

Financially the project is very lucrative. The project shall begin with 100 cars, sourced directly from the manufacturer in India (See Exhibit 13). Assuming an opportunity cost of 30%, a rental rate of S\$ 3 per hour, the initial investment of approximately S\$ 0.832 million, shall provide an NPV of S\$ 3.1 million. The project has an Internal Rate of Return (IRR) of 58.6% for S\$ 3 per hour, while 72.2% for S\$ 4 per hour. (See Sensitivity Analysis part 3)

This concept is not being utilized in Singapore at present. The main services which can be substituted with MyCar are the public transport facilities, taxis, rent a car and shared car services. However, given the extremely low rental which will be charged, MyCar shall be a far more attractive option for the users.