

# FOUNDING TEAM

## Team Gratifi



**Samir Jain (23 Years; [samir.jain13@iimb.ernet.in](mailto:samir.jain13@iimb.ernet.in); 9916800047)**

- Education: Civil Engineer, IIT Bombay; MBA Student, IIM Bangalore
- Experience: Capital One; Co-founder, 24X7style.com; Internship: BCG, Delhi
- Key Skills: Negotiation, Marketing, and People Management



**Ankur Bhartiya (26 Years; [ankur.bhartiya13@iimb.ernet.in](mailto:ankur.bhartiya13@iimb.ernet.in); 8884532000 )**

- Education: Computer Science, IIT Kanpur; MBA Student, IIM Bangalore
- Experience: Algo Trader, Futures First; Internship: Goldman Sachs, London
- Key Skills: Machine Learning, Data Analytics, and Product Development



**Manuj Khurana, CFA (29 Years; [manuj.khurana13@iimb.ernet.in](mailto:manuj.khurana13@iimb.ernet.in); 8884022214)**

- Education: Mechanical Engineer, NIT Kurukshetra; MBA Student, IIM Bangalore
- Experience: Procurement & Consulting; Internship: Accenture Strategy, Delhi
- Key Skills: Problem Solving, Corporate Finance, and Business Development

# EXECUTIVE SUMMARY

## GRATIFI

<b>Sector</b>	Mobile	<b>Year of Inception</b>	2014
<b>Business Brief</b>	Gratifi is a mobile application that lets users connect to FREE Wi-Fi at public places. Retailers/Businesses sponsor the Wi-Fi and leverage the platform to extend their storefronts.		
<b>Revenue (INR Lakhs)</b>	FY 15e - 70	FY 16e – 460	
<b>Why Invest in Gratifi?</b>	<ul style="list-style-type: none"> <li>▪ Underserved market with high dis-satisfaction. Market potential to sign-on 100 M smart phone users</li> <li>▪ No direct competition – First mover can capture strategic Wi-Fi assets and ensure high barriers to entry</li> <li>▪ Diverse team with complementary skillsets – IIT Kanpur computer scientist, IIT Bombay analytics expert and a seasoned consultant with 5+ years of experience</li> </ul>		
<b>Investment Size (INR Lakhs)</b>	50	<b>Valuation Expectation Post Money (INR Lakhs)</b>	400
<b>Exit Strategy</b>	<ul style="list-style-type: none"> <li>▪ Strategic sale to a mobile advertising giant</li> <li>▪ Sale to Private Equity Investors</li> </ul>		

# OUR VISION

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**BUSINESSES WOULD SPONSOR WIRELESS  
INTERNET FOR THEIR CURRENT OR POTENTIAL  
CUSTOMERS.**

**THE NAME GRATIFI REPRESENTS THIS  
UNDERLYING CONCEPT OF FACILITATING FREE  
(GRATIS) WI-FI.**

# SMARTPHONE INTERNET IS THE NEW OXYGEN

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**169M SMARTPHONE USERS** EXPECTED TO REACH  
**500M IN 2018**

**45M <sup>1</sup>MOBILE BROADBAND** CONNECTIONS

**3-4 HOURS SPENT** EVERYDAY ON SMARTPHONE

**25% CONSUMERS CHECK THEIR SMARTPHONE**  
**OVER 100 TIMES A DAY**

<sup>1</sup>3G or above; includes dongles

## BUT SHORT IN SUPPLY...






















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**44% OF THE TIME SMARTPHONE USERS DON'T HAVE ACCESS TO MOBILE BROADBAND DESPITE THE SUBSCRIPTION**

**67% OF SMARTPHONE USERS ARE NOT ABLE TO CONNECT TO MOBILE BROADBAND IN FIRST ATTEMPT**

# ...AND QUALITY

## User experience of Different Forms of Internet on Mobile

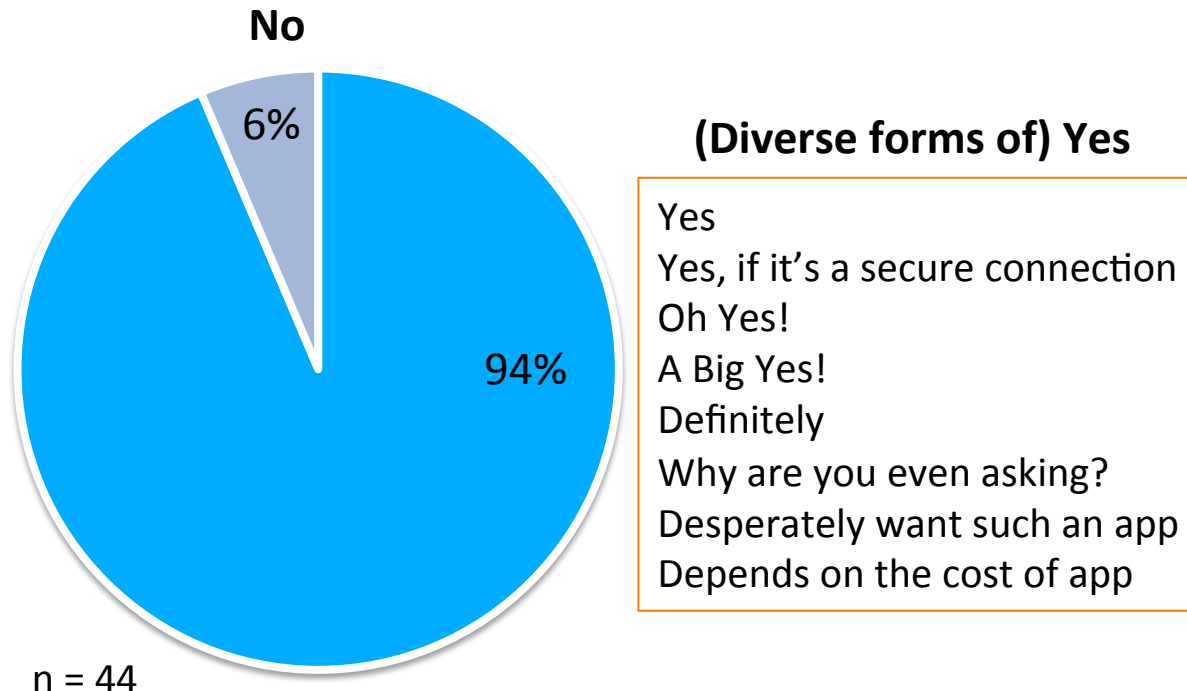
Internet Use	2G	3G	Wi-Fi
Social Media			
Videos			
Music			
Web Browsing			
Maps			
Chat			
Utilities			

**Wi-Fi  
outperforms  
2G and 3G,  
hands down.**

# GENERATING PENT-UP DEMAND FOR Wi-Fi IN PUBLIC PLACES

## Customer Willingness to Download App to Access Wi-Fi for Free

**Q. Would you download an app on your phone if its get you free Wi-Fi outside your home?**



# **BUSINESSES CAN USE THIS OPPORTUNITY, USING FREE WI-FI TO EXTEND THEIR STOREFRONTS**

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**CONNECT** WITH YOUR CUSTOMERS BY OFFERING  
FREE WI-FI

**COMPREHEND** YOUR CUSTOMERS THROUGH  
BEHAVIOUR AND LOCATION ANALYTICS

**COMMUNICATE** THROUGH THE CHANNEL  
WHERE USERS SPEND MOST OF THEIR TIME



# AS EXHIBITED BY SMALL AND MEDIUM BUSINESSES IN USA

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Customer behavior after businesses installed free Wi-Fi

**55% SAY IT HAS BROUGHT IN NEW CUSTOMERS**

**65% REPORT IT HAS ENCOURAGED REPEAT BUSINESS**

**79% SAY IT HELPS KEEP CUSTOMERS HAPPY WHILE THEY WAIT**

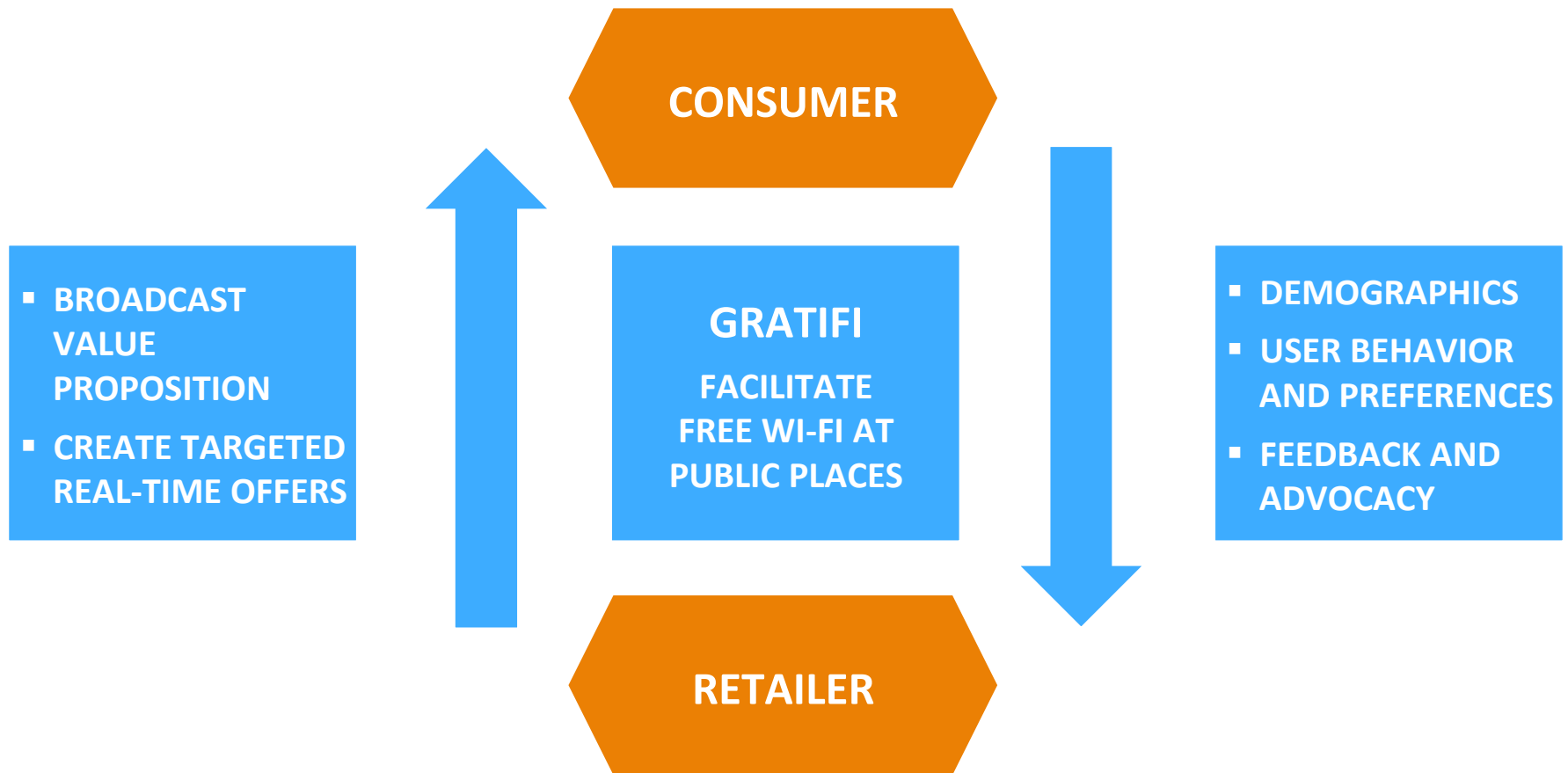
# **THUS EXISTS AN OPPORTUNISTIC GAP IN THE MARKET**

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**SMARTPHONE USERS WANT TO STAY  
CONNECTED TO HI-SPEED MOBILE INTERNET  
BUSINESSES NEED A MEDIUM TO ENGAGE AND  
SERVE CUSTOMERS BETTER**

# GRATIFI WILL BRIDGE THIS GAP CREATING VALUE FOR BOTH SIDES

## Cross-exchange Benefits of Gratifi



# CUSTOMERS CAN DOWNLOAD THE APP IN 3 SIMPLE STEPS

App download by customer



1

Select 'Gratifi' from list of available Wi-Fi



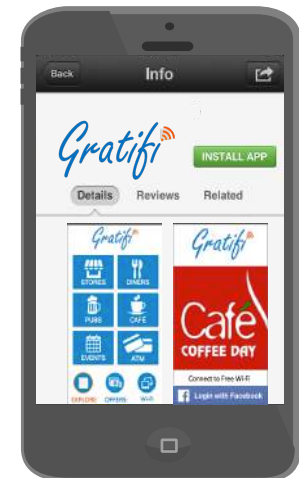
2

Confirm OTP on the browser



3

Download and install 'Gratifi' App





- 1 Login with Facebook to access free Wi-Fi
- 2 Customized landing page with call-to-action
- 3 Gratifi App



1

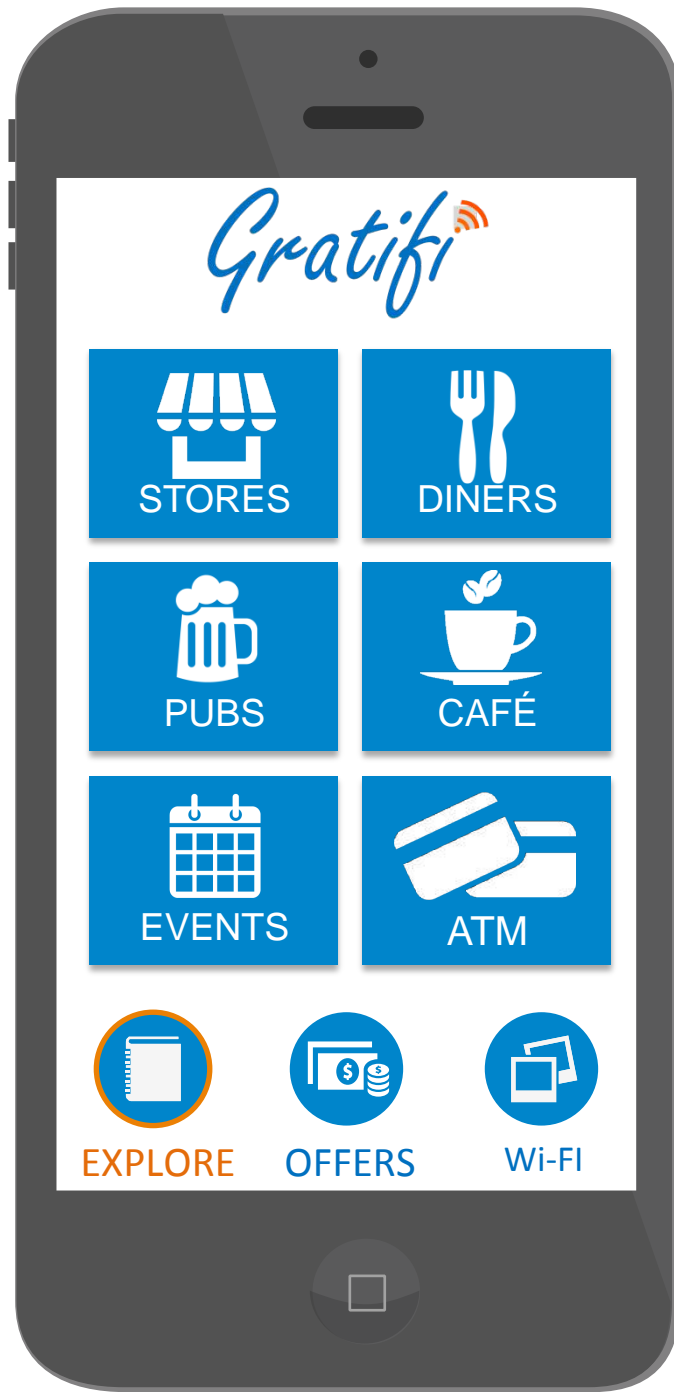
Login with Facebook to access free Wi-Fi

2

Customized landing page with call-to-action

3

Gratifi App



1

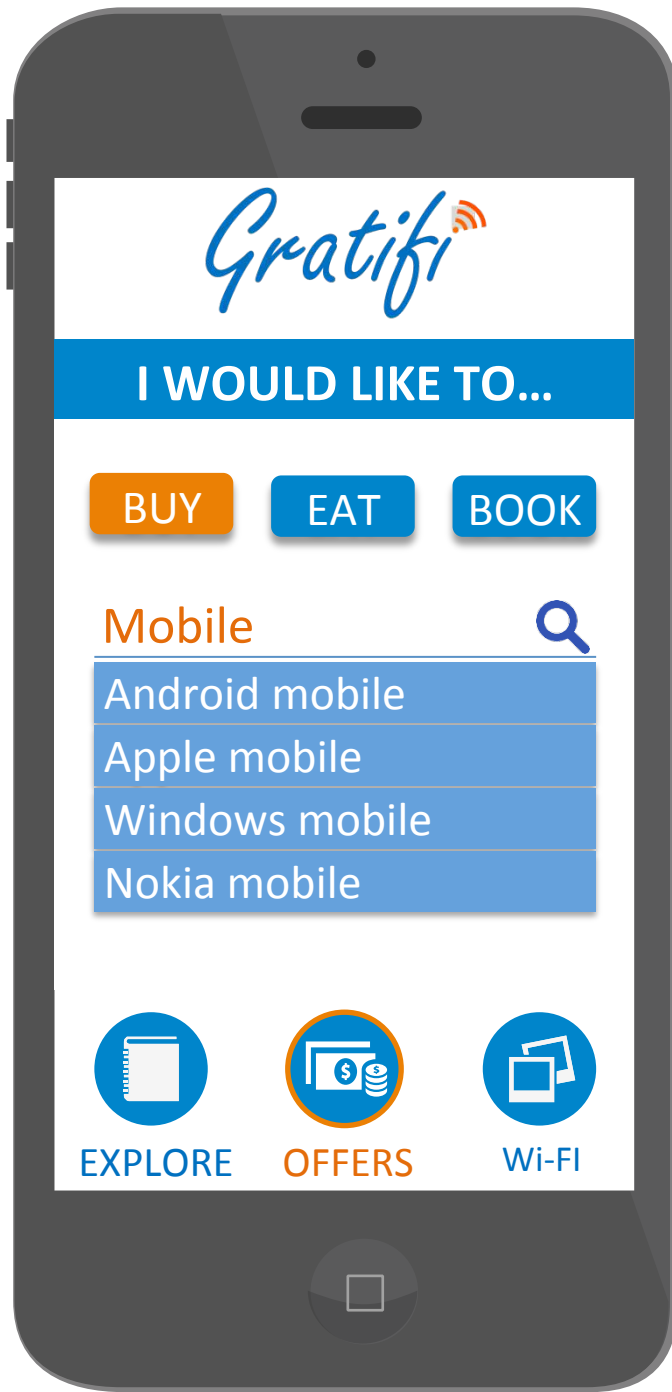
Login with Facebook to  
access free Wi-fi

2

Customized Landing page  
with Call-to-Action

3

Gratifi App  
**Explore**  
Offers



1

Login with Facebook to  
access free Wi-fi

2

Customized Landing page  
with Call-to-Action

3

Gratifi App  
Explore  
**Offers**



# BUSINESSES GET TO BETTER UNDERSTAND CUSTOMER BEHAVIOR AND HABITS

## Dashboard for Business

### Customer Analytics

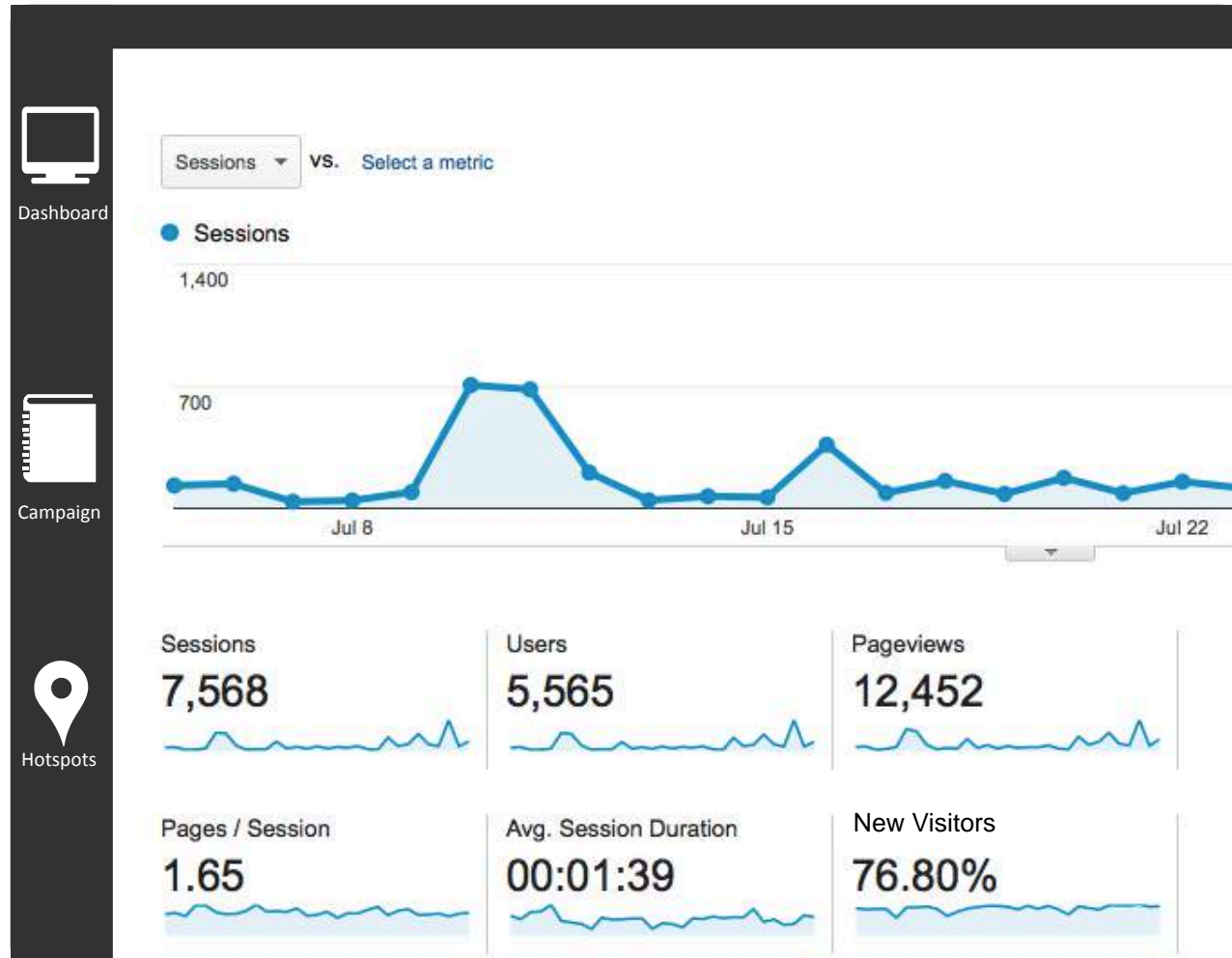
Understand customer behavior and analytics on Gratifi Dashboard

### Campaign Management

Manage your campaigns for all your brands from one place.

### Hotspot Management

Manage all your hotspots from one place. Monitor their status and usage.



# BALANCED REVENUE MODEL COMPRISING SUBSCRIPTION AND ADVERTISING FEE

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## Revenue Streams

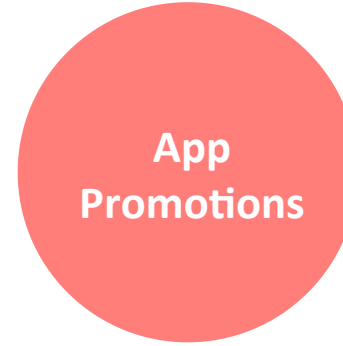
### Subscription

- Social engagement through customized landing page with definite call-to-action
- Targeted campaigns based on user location and demographics
- Customer analytics for targeting and remarketing
- Location based analytics for better behavior analysis



### Advertising

- Landing page used as real estate for third-party ads
- Affiliate marketing
- Exclusive promotion for utility apps such as Book My Show, OLA Cabs, Saavn, etc.



# PRODUCT OFFERINGS CUSTOMIZED TO FOUR TARGET SEGMENTS

## Product offerings

Free	Premium	Enterprise	Network
<b>Who is it for?</b> Give your guests easy to use, legally compliant free Wi-Fi  <b>600 visitors/month</b> Standalone Stores	<b>Who is it for?</b> Give guests free Wi-Fi, but make it work harder with coupons, marketing and analytics.  <b>6,000 visitors/month</b> Diners, Cafes, etc.	<b>Who is it for?</b> Sophisticated solution for corporates requiring more features  <b>100,000 visitors/month</b> Regional/National QSR, LFS Retail stores, etc.	<b>Who is it for?</b> Public Wi-Fi Hotspot providers  Airports, Shopping Centers, etc.
<b>Includes</b> Secure and legally compliant Get Facebook Likes and Twitter Followers	<b>Includes</b> More branding for you Insights on customers Email and coupon functionality	<b>Includes</b> Dedicated account Custom solution Enhanced marketing and analytics	<b>Includes</b> Dedicated account Monetize your Wi-Fi network Display 3 <sup>rd</sup> party ads
<b>FREE</b>	<b>6,000/Month</b>	<b>80,000/Month</b>	<b>Revenue Sharing</b>

# ROBUST BUSINESS MODEL TO TAKE ON POTENTIAL ENTRANTS

## Competitive Advantage

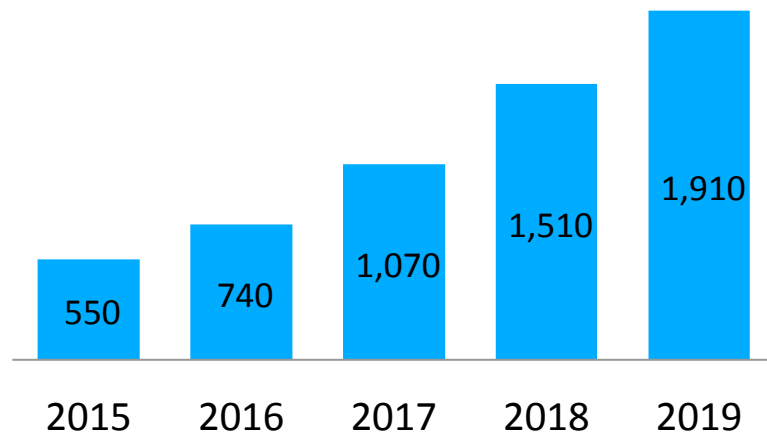
		Airtel	Google/FB	Gratifi
Increase in Returns	Network Effect	✓	✓	✓
	Feedback Effect	✗	✓	✓
	Learning Effect	✗	✓	✓
Strategic Economies	Scale	✓	✓	✓
	Scope	✓	✓	✗
	Focus	✗	✗	✓
Competitor Lockout	Customer Lock-in	✓	✗	✓
	Choke Points	✓	✓	✓
	Pre-emption	✗	✓	✓
Strategic Flexibility	Agility	✗	✗	✓
	Portfolio breadth	✓	✓	✗
	Low break even	✗	✗	✓

# GRATIFI HAS SIGNIFICANT POTENTIAL FOR GROWTH INLINE WITH MOBILE AD SPEND MARKET

## 5-Year Revenue forecast

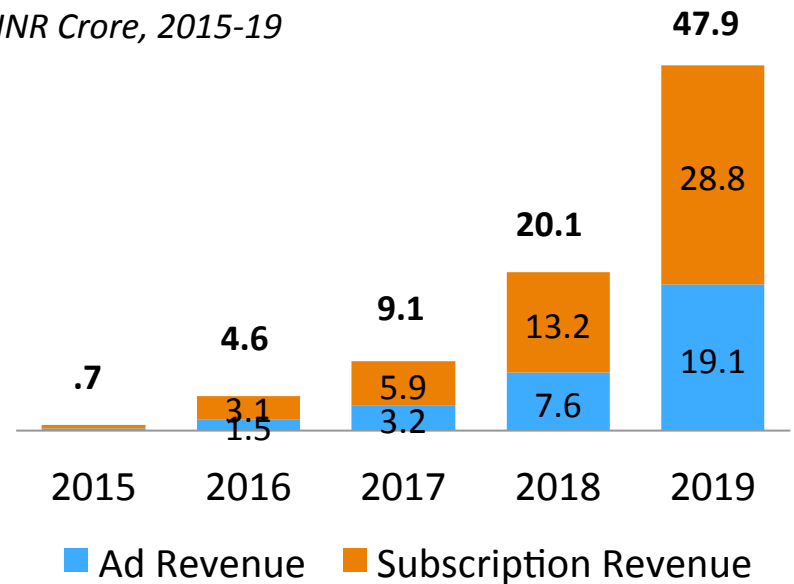
### Mobile Ad Spends

INR Crore, 2015-2019



### Gratifi Revenue Forecast

INR Crore, 2015-19



# INR 50 LAKHS INVESTMENT WILL HELP US TAKEOFF...

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Financial Summary for 15 Months (Oct-14 to Dec-15)

Category	<sup>1</sup> Value (INR LAKHS)
Revenue	-104
Technology and Product Development	76
Marketing and Business Development	42
Rent & Overheads	22
Total	-36

<sup>1</sup>Expenses are shown as positive values and inflows as negative

# ...AND DRIVE OUR EVOLUTION FOR NEXT 15 MONTHS

Roadmap for 15 Months (Oct-14 to Dec-15 Period)

Hotspots

1

2

4

Enterprise  
Accounts

1

1

4

Premiums  
Accounts

2

4

8

Time  
(Months)

3

6

9

12

15

Beta launch of App  
and Dashboard for  
selected clients

Improved Analytics  
dashboard; Push for  
3<sup>rd</sup> party Ads and App  
promotions

Prototype for Wi-Fi  
deployment on Test  
App

Product launch in  
Bangalore; Partner with  
Wi-Fi providers for  
public hotspots

Partner with telecom  
providers for  
extended reach



**KEEP  
CALM  
WE HAVE  
FREE  
WIFI**



# **APPENDIX**

# SECURITY AND LEGAL COMPLIANCE

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## Security and Legal Compliance



### Data Protection

Personal data about any individual will be kept private and only cumulative statistics will be available for client use to generate the required analytics.



### Data Retention

User logs will be generated and retained as per the regulation, to assist in prevention and detection of organised crime and terrorism related activities.

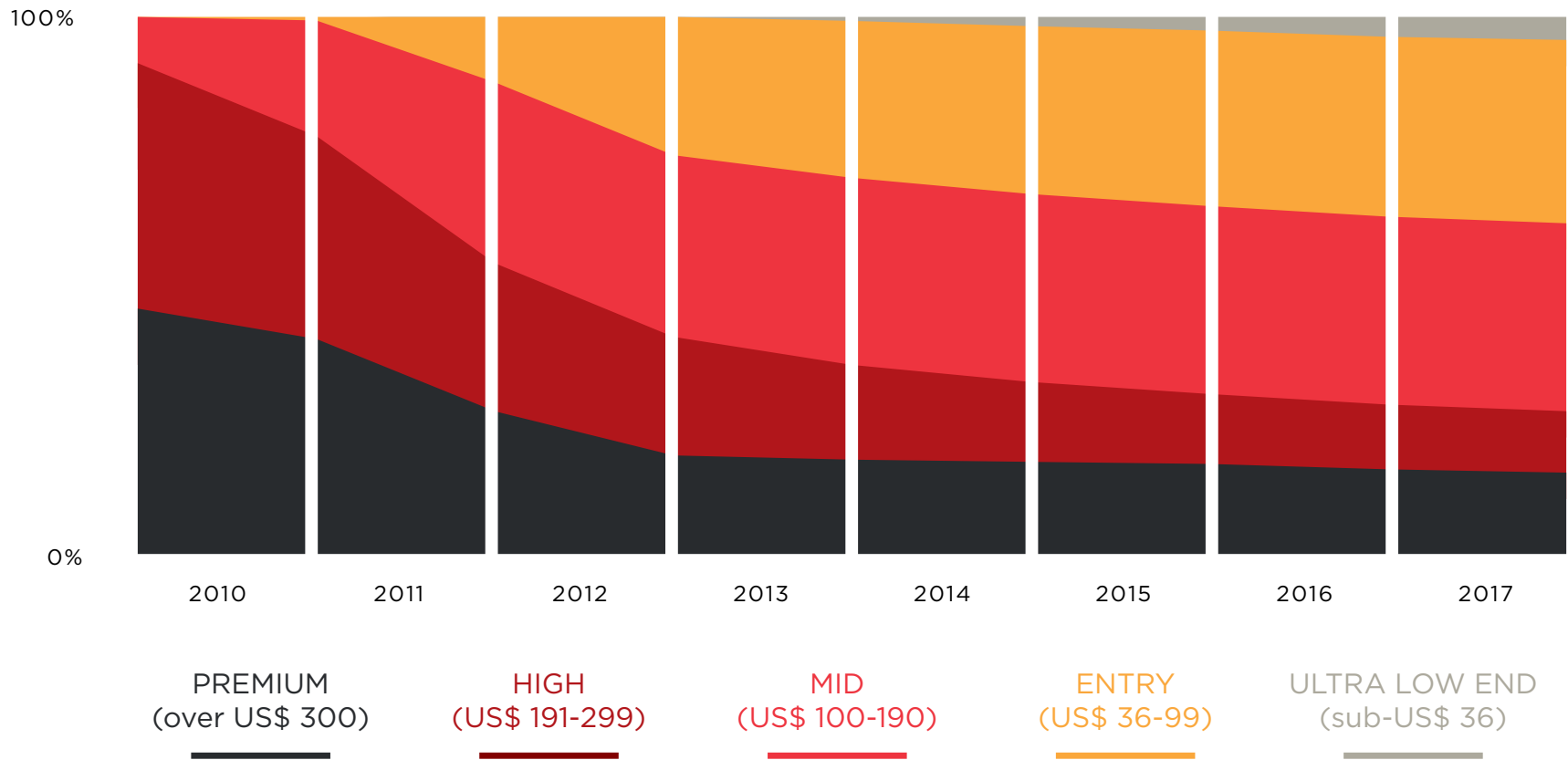


### Illegal Online Activity

We will take all the necessary steps to prevent copyright infringement, covering illegal or inappropriate downloading and file sharing by end users by content filtering.

# SMARTPHONE IS A MEANS TO AN END FOR INDIAN CONSUMERS

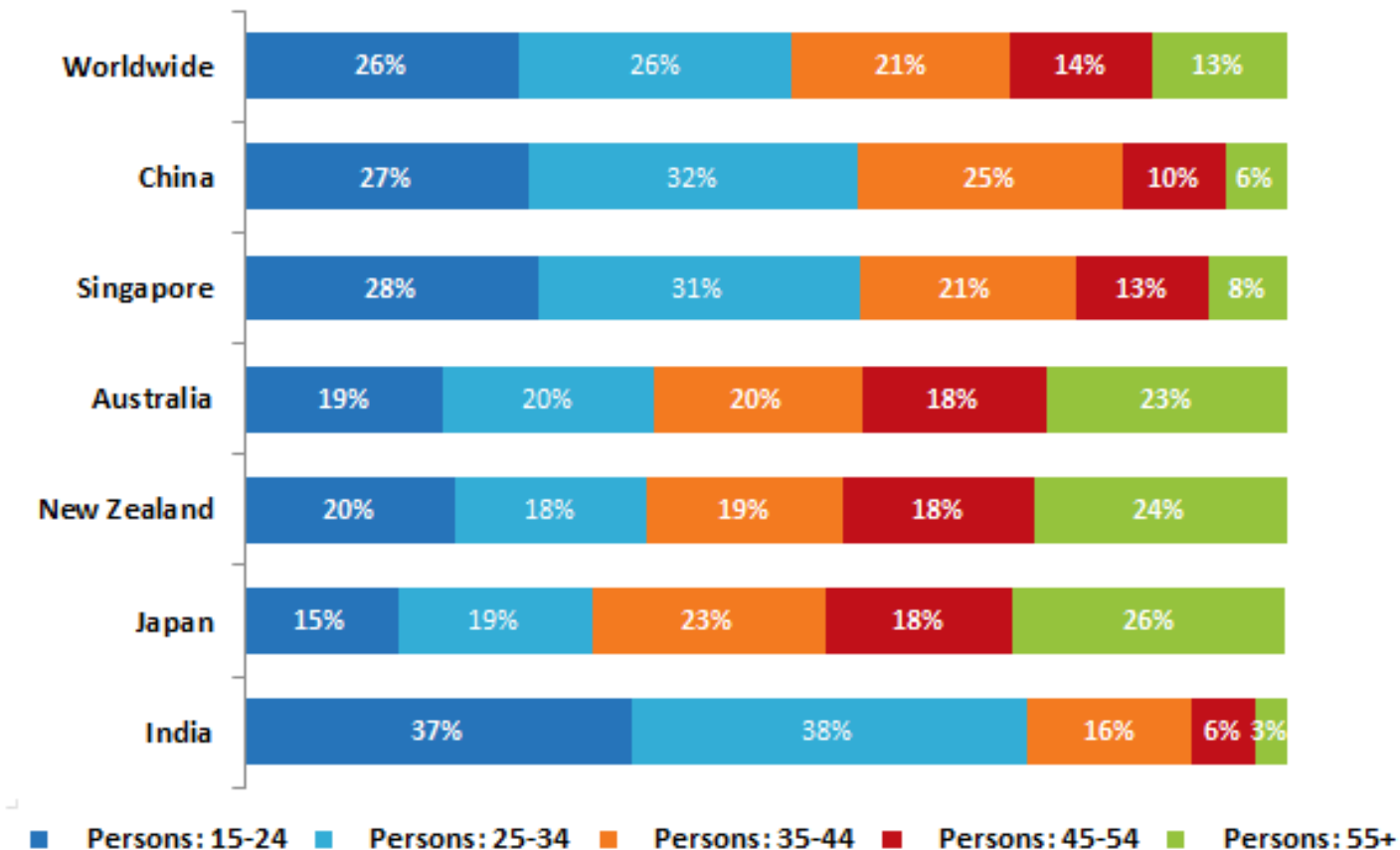
## India smartphone sales by wholesale price tier



# FOR THE WORLD'S YOUNGEST INTERNET AUDIENCE

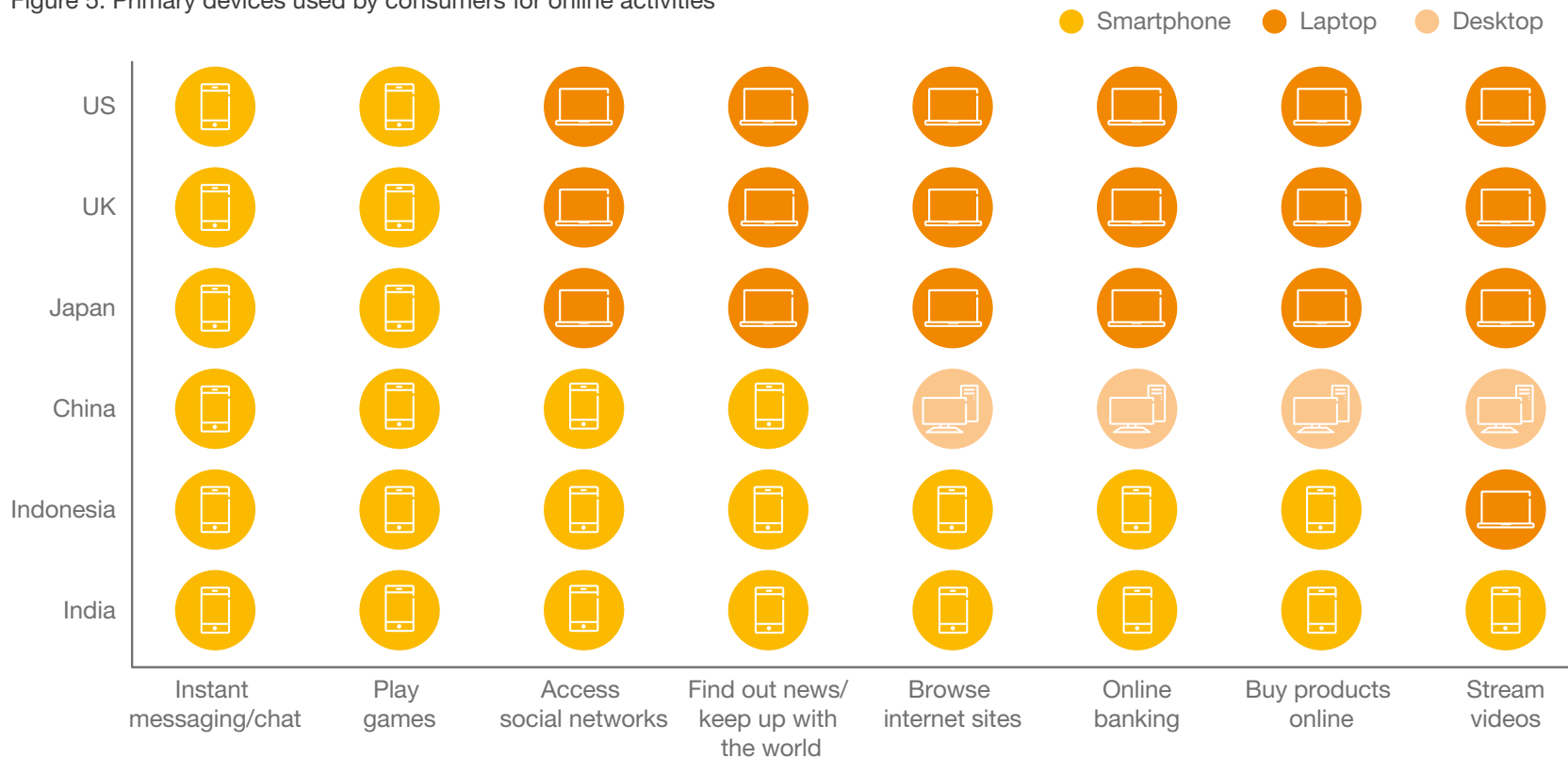
## Demographic composition of online audience across markets in Asia Pacific

Source: comScore MMX, Ag 15+, September 2013



# SMARTPHONE IS THE PRIMARY INTERNET DEVICE FOR EVERY SERVICE

Figure 5: Primary devices used by consumers for online activities



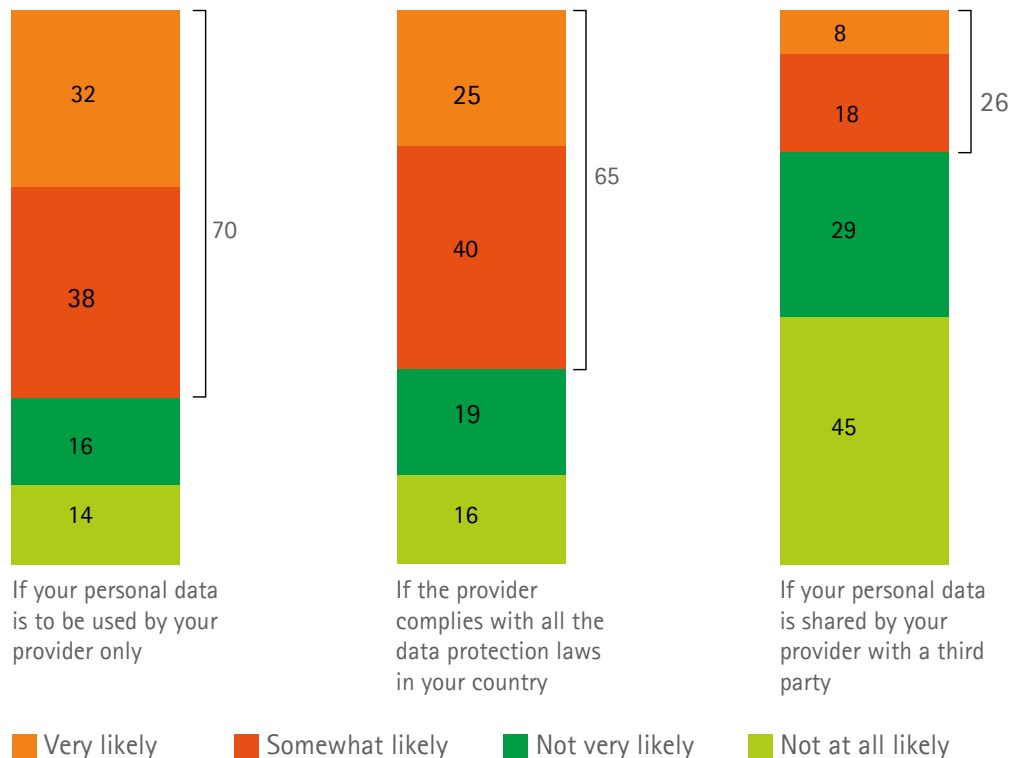
Source: Ericsson ConsumerLab Analytical Platform 2013

Base: Mobile phone users' total time spent on respective service per device

# DATA PRIVACY - ACCENTURE DIGITAL CONSUMER SURVEY 2014

Figure 5: Data privacy trade-offs

Some digital service providers (e.g. online service providers etc...) offer additional services or discounts if you agree to provide additional personal data in return (e.g. personal preferences, or areas of interest, preferred locations etc). How likely would you be to participate in such an arrangement if the following applied...?



Accenture's survey shows that consumers are actually pragmatists. Although aware of digital pitfalls related to personal data, they will trade their data for value under specific conditions.

Fifty percent of respondents lack confidence that the security of their personal data is protected on the Internet. However, more than half are willing to share personal data in exchange for a monetary reward (discount or other) as long as some basic rules apply.

# SPEED AND USAGE MEASUREMENT

## Taking control of data

As internet use becomes more widespread, consumers strive to comprehend it, particularly to make sure they are not over-charged for the data they are using. Figure 7 shows that 48 percent regularly use apps to get information about their data consumption. While 38 percent just want to know how much data they use, 28 percent want to make sure they are billed correctly and 35 percent don't want to exceed their operator's data cap.

## A need for speed

Research also revealed that 37 percent of smartphone owners regularly use apps to test their connection speed. 42 percent said they just wanted to know the speed, but 35 percent also think that their operator's network is sometimes too slow.

Figure 7: How consumers use apps to measure their usage

