

Document Title: Automated Expense Splitting Feature Case Study for Paytm App

Table of Content

1. Case Study Brief
 2. Overview
 3. Market Research and Competitive Analysis
 4. User Personas
 5. Product Vision and Goals
 6. Solutions
 7. Feature Ideation
 8. Feature Prioritization
 9. Conclusion
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Case Study Brief

Challenge: Paytm, as one of India's leading digital payment platforms, is widely used for peer-to-peer transactions but lacks an integrated way to handle shared expenses. This feature case study proposes **Automated Expense Splitting** to allow users to track and split shared expenses directly within Paytm. This addition aims to enhance user convenience and loyalty by consolidating payments and expense management in one platform, providing a seamless and all-in-one financial experience.

Overview

Users often encounter the inconvenience of managing shared expenses, requiring separate apps to track or split costs with friends and family. By integrating an **Automated Expense Splitting** feature, Paytm could enable users to easily manage expenses, from transaction initiation to expense tracking and repayment, entirely within the app. This feature would support flexible splitting options, reminders, and a dashboard to offer users a holistic view of their shared financial obligations.

Market Research and Competitive Analysis

Industry Trends

1. **Multi-Functionality in Financial Apps:** Users increasingly look for all-in-one solutions that cover payments, budgeting, and expense management, aiming to reduce the hassle of using multiple financial apps.
2. **Social Financial Interactions:** With digital payments on the rise, there's a growing trend toward enabling social transactions, such as expense splitting, within payment apps.

Competitive Analysis

- **Direct Competitors:** PhonePe and Google Pay offer strong digital payment features but lack integrated, automated expense-splitting tools.
- **Indirect Competitors:** Apps like Splitwise provide popular expense-tracking features but require users to link external payment apps, leading to added steps and inefficiencies.

By incorporating an automated expense-splitting feature, Paytm could leverage its existing payment infrastructure to provide a one-stop solution, differentiating itself from competitors by reducing friction in managing group expenses.

User Personas

The **Automated Expense Splitting** feature would cater to two main types of Paytm users:

- **Rahul (Social Spender, 20-35 years old):** Rahul regularly splits expenses for outings, meals, and trips with friends. He prefers a simple, built-in solution that allows him to split costs and track payments seamlessly.
- **Anita (Frequent Paytm User, 25-40 years old):** Anita uses Paytm for a wide range of financial needs, from bill payments to peer-to-peer transfers. She values convenience and prefers to keep her financial interactions consolidated within one app.

Product Vision and Goals

Product Vision: To position Paytm as the comprehensive digital wallet for payments, budgeting, and expense management, meeting user needs for streamlined financial interactions.

Product Goals:

1. **Provide seamless expense management** by adding built-in split capabilities.
2. **Increase user engagement** by offering a value-added service beyond typical payment features.
3. **Boost user satisfaction and retention** by eliminating the need for third-party apps for expense management.

Feature Ideation

The **Automated Expense Splitting** feature for Paytm will include four primary components:

1. **Split Prompt Post-Transaction:**
 - **Benefit:** Allows users to split expenses as soon as a transaction occurs, making it easy to initiate split requests.
 - **Messaging:** "Share this expense with friends?"
2. **Customizable Split Ratios:**
 - **Benefit:** Supports equal and customizable splitting options, allowing users to set specific amounts or percentages for each person involved.
 - **Messaging:** "Customize your split ratio for every expense."
3. **Automated Payment Reminders:**

- **Benefit:** Automatically reminds users of unpaid balances, simplifying follow-ups for shared expenses.
 - **Messaging:** “Reminder: Settle your shared expense!”
4. **Expense Tracking Dashboard:**
- **Benefit:** A central interface where users can view and manage all pending and completed split expenses, tracking who has paid and who hasn’t.
 - **Messaging:** “All your group expenses, organized in one place.”

Feature Prioritization

Using the **RICE** (Reach, Impact, Confidence, Effort) framework, the components for **Automated Expense Splitting** would be prioritized as follows:

1. **Split Prompt Post-Transaction** – High reach and immediate impact, enabling seamless initiation of shared expenses.
2. **Expense Tracking Dashboard** – Essential for providing users a transparent view of pending and paid expenses, increasing engagement.
3. **Customizable Split Ratios** – Adds flexibility, accommodating various social spending scenarios.
4. **Automated Payment Reminders** – Adds convenience by simplifying follow-ups for payment settlements.

The initial phase would involve deploying the Split Prompt and Dashboard to allow users to get started, with customization and automated reminders added as enhancements based on user feedback.

Conclusion

The **Automated Expense Splitting** feature would position Paytm as a more versatile and user-friendly digital wallet by fulfilling an emerging demand for social expense management. By enabling users to handle payments and shared expenses within the same app, Paytm can boost engagement and retention, all while meeting the needs of socially active and budget-conscious users. The streamlined experience offered by this feature would enhance Paytm's appeal as an all-in-one platform for digital transactions, fostering user loyalty and satisfaction.