

MRD OUTLINE: Smart Subscription

Vision

Overall, Netflix now has 167 million subscribers worldwide and 60 million in the US.

Amazon Prime has 156 million subscribers worldwide and 95 million in the US.

#SmartSUBSCRIPTION is an app that will provide them a platform to manage and overview the subscriptions.

- ★ Keep track of their subscriptions.
- ★ Handle more than 10 subscriptions for those also who have lots of subscriptions and bills.
- ★ Manage and overview the subscriptions.
- ★ Handle the financial planning cycle for the customers.
- ★ Set alerts for payments.
- ★ Closely inspect customers' monthly spending.
- ★ Set automatic payments monthly.
- ★ Cancel subscriptions at any time, saving both money and time.
- ★ Custom notifications and subscriptions
- ★ 2 step authentication

Motivation

Customer Segments :

Students

Major customers would be those in Boston who have an online subscription, needing an app to manage and keep track of all of them. Most of the students use apps in entertainment media like Netflix, Amazon Prime, Spotify, etc. and usually have multiple application subscriptions, in the

age range of 18-24. Within the segment, we interviewed 5 people per member, finding out that an average of 3 out of 5 people is seeking a way to track their subscriptions. Our hypothesis is that if we can provide assistance to students regarding which apps to be continued for subscriptions, which plans are cheaper and beneficial to them. If we make it easy there will be fewer students going away from the apps they really need in their day to day life.

Professionals

Professionals who are working in offices or businesses have subscriptions related to the newsletter, blogs, activity tracking, etc and are less into entertainment like youth. They are usually very busy with the work and unable to keep track of their long term subscriptions. Our hypothesis is that if we can provide certain features to track where their money is going and provide a dashboard to manage their finance and time spent on various apps. Also, create notification alerts on their mobile phones or calendar reminder to pay for their plans. This can make it easier for them to continue their subscriptions without any hassle.

What are your hypotheses regarding the likely profile of target customer segments, in terms of demographics, key behaviors, and attitudes?

Students are more likely to be engaged in social media and apps and have more subscriptions. Especially in a city like Boston which is a student hub., it is easier to target customers there. Students from different kinds of backgrounds and personalities were interviewed and we got to know their interests and type of subscriptions. One common aspect we experienced in them is the management of subscriptions with respect to money. They need a one-stop solution for all their issues as most of the popular apps and services require subscriptions and they are increasing. So our hypothesis is that to aim for those popular apps which are used by most of the people in common in order to understand user's behavior. Also, it will be easier to test and validate the product from this particular segment of customers.

What evidence have you collected to validate your hypotheses regarding customer segments? Provide some detail on your research design (questions posed, sample size, etc.) and consider including interview guide, interview notes, etc. as appendices.

Interview Questions posed to various customers :

Q1: How long do you use your phone every day?

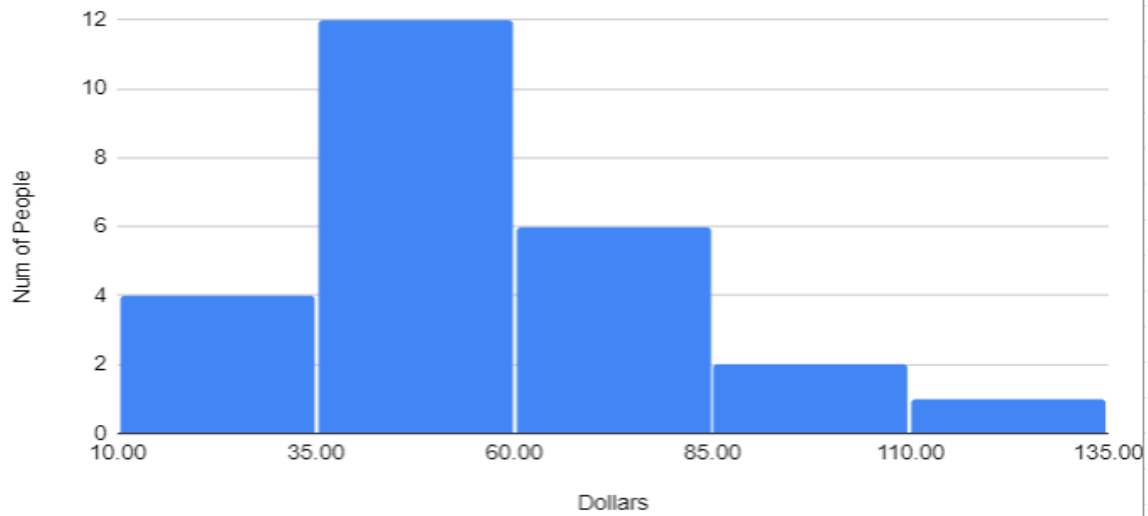
Q2: How many subscriptions do you have?

Q3: How much do you spend on subscriptions per month?

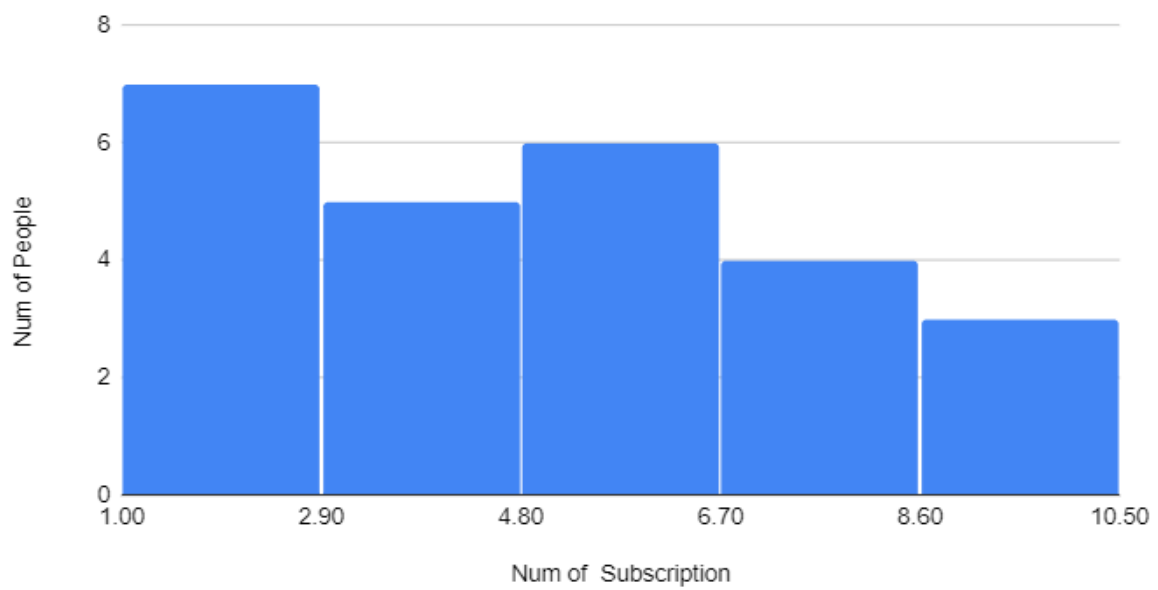
Q4: What are the issues with the existing product?

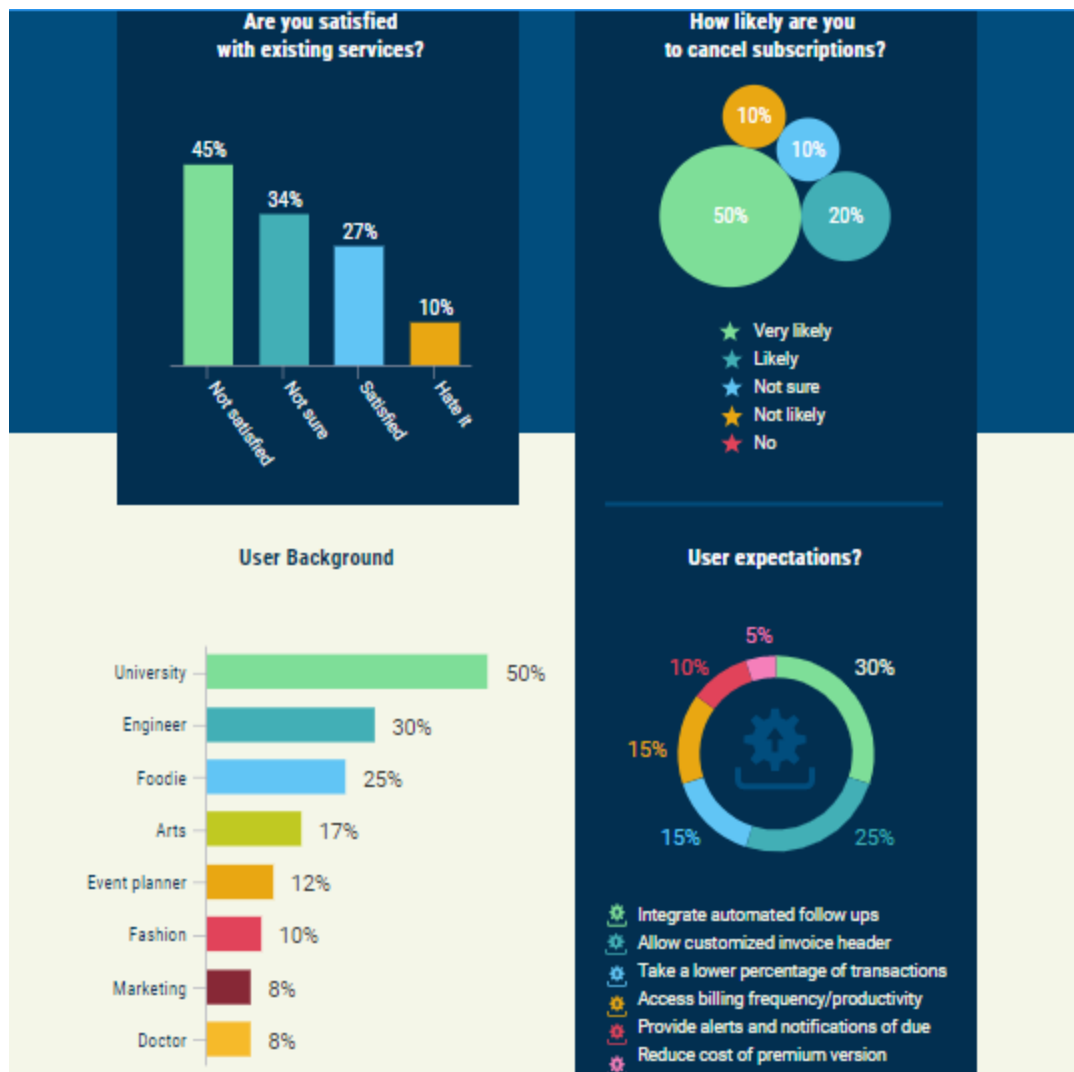
Q5: Additional insights to understand user behavior.

Money spent on subscription per month



Number of subscription






In what ways are early adopters likely to differ from mainstream users?

Early adopters use the product without any prior expectations and will always look forward to exploring new features. Mainstream users have experienced all the functionalities, bugs and know what they want from the product. It is more difficult to convince them than new customers. Keeping their needs and feedback in mind we can ensure that the early adopters do not face any issues keeping both the parties satisfied with their requirements.

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If you have developed personas, present them.

Persona 1: Student



"As a student, I want a smarter way for effective subscriptions."

Age: 19
Education: Engineering Student
Family: Single
Location: Boston, MA
Character: Tech enthusiast

Personality

Introvert	Extrovert
Thinking	Feeling
Passive	Active

Friendly
Clever
Funny
Creative

Bio

Kathy is a young and enthusiastic student who loves to explore new technologies and applications. She loves to read blogs and newsletters and always browsing on the internet for knowledge. She has been subscribing to a lot of services and apps which can help her in day to day learning. It is becoming difficult for her to track all her subscriptions and is frustrated with the money being wasted unnecessarily and planning to cancel some.

Goals

- To keep a track of all my subscriptions in one place.
- To manage all important subscriptions on a monthly basis.
- To spend less time and money to look for a better service.

Frustrations

- Unfamiliar with smart subscription services.
- Unsaturated tracking market.
- Keeping reminders of each app.

Motivation

Fear
Growth
Social

Preferred Channels

Traditional Ads
Online & Social Media
Referral
Mobile

Brands & Influencers

Spotify Medium TECH NEWS

Persona 2: Working professional

Kevin Nora

age: 34

residence: Boston, MA

education: Undergraduate Studies in Arts

occupation: Tourist Guide

marital status: Single



A wanderlust who loves to travel and interact with people

Mike graduated from Arts College and loves to travel. He pursued his career as a tourist guide and travels to places all over the world. Since he uses a lot of apps and constantly engaged on social media, he wants to avoid a hassle in managing his subscriptions on tour. He often skips payments as he forgets to pay before due. In some places, it is difficult for him to find a good network and internet connection to manage and pay for the subscriptions on time. He uses various apps which involves subscription like Trveler, OneGo, Kayak, Airbnb, etc. So a one-stop solution can help him manage and track his subscriptions to have seamless travel experience.

Comfort With Technology

INTERNET



SOFTWARE



MOBILE APPS



SOCIAL NETWORK



Criteria For Success:

His criteria for success is to keep a track of all his activities, finance, and diet

He believes in engaging with people on social media and provide better services to his clients

He does not want to spend time and take more efforts in managing unimportant things

Needs

- Manage the number of apps downloaded, the type of subscription, payments, and deadlines
- Track his finances on each subscription and discontinue the subscription plans for unnecessary apps

Values

- He is extrovert and actively involved in all social gatherings
- He is a high-level planner and needs everything up to date
- He is extremely particular about his expenses

Wants

- He wants a feature that can constantly notify him about his subscription usage, plans, payments and dues
- He wants to avoid hassle of going to every app and make changes in the subscription plans

Fears

- Unsaturated tracking market
- Unwanted means of monetizing revenue from the subscriptions
- Automatically getting paid for the plans

Unmet Needs:

We believe that the apps that are currently available to provide the solutions are not enough and do not satisfy all the requirements of the customer.

There are numerous challenges subscription apps face while setting up their services and maintaining their customer relations. Most software tends to fail when they have a lot of bills or any kind of monthly subscriptions and are not able to manage the financial planning for the customers. We believe that Customers do not have the opportunity to create their own custom notifications. One of the only ways that businesses can overcome this is by using an effective recurring payment system that can address these issues.

Though the pain might not be noticed by all the customers, we believe that keeping track of the subscriptions is a bit painful. Many customers tend to forget canceling their subscriptions due to which the companies keep on charging them without any prior notifications and we believe that our app will not only track and notify about the subscriptions but will also provide the support that will address the customers issues and problems.

Our research indicated that More than 70% of the surveyed consumers say they continue paying for unwanted subscriptions because they simply forget to cancel the service before it's renewed and 29% say they didn't know the service was set for auto-renewal and Almost 19% of the respondents say it takes too much effort to cancel the service.

Existing Solutions:

The existing solutions that various apps like Truebill, Trim, SubscriptMe, etc provide are:

- Identify and cancel unwanted subscriptions,
- Lower the customer bills, and get them refunds on fees and outages
- Notifies you when a bill is due
- Set automatic payments monthly.

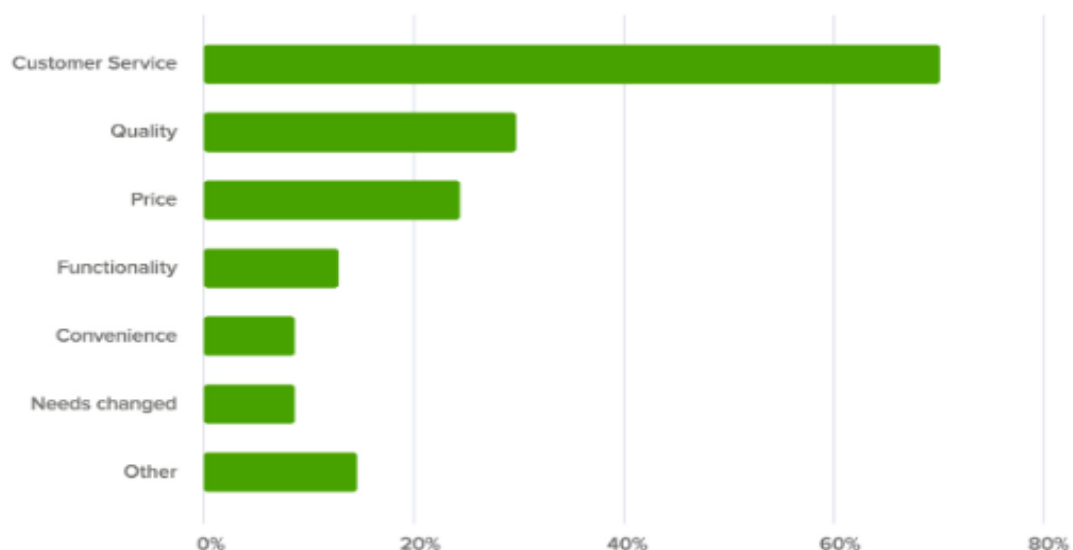
There are few apps that provide the solutions to the customers to track their subscriptions. Although each app provides a variety of good features, they are all at their own app levels. Our

team idea is to build an app that will provide all the features combined together in one place so that the customers do not face problems while using the app.

Many above mentioned apps fail to provide very basic and important features to the customers. Our team has identified some features which the others fail such as customers should be able to create their custom notifications and subscriptions as each customer is different and have their own behavior and method to use the app. We will create a user-friendly app that customers will enjoy using it and will keep the customer motivated to use our app.

Some additional features that our app **#SmartSUBSCRIPTION** will support:

- ★ Manage the financial planning for the customers.
- ★ Handle more than 10 subscriptions for those also who have lots of subscriptions and bills.
- ★ Closely inspect customers' monthly spending.
- ★ Custom Notifications and Alerts.
- ★ Customer support will be provided 24*7 for the customers.
- ★ Customers rank each task for importance and satisfaction in a survey to reveal which needs are unmet.
- ★ Initiate a Card Holder Approval request before any deductions.
- ★ 2-step Customer Authorization to avoid Fraudulent activities.



With the above matrix too, we can see that the customers are not happy with the service that the apps are providing, and they are paying more to maintain their subscriptions which indeed is not benefiting them. Customers are not able to find a reliable source in which they should invest although Truebill saves the money for the customers but eventually the billing planning of Truebill

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is not that good and customers tend to spend more on maintaining the subscriptions rather than saving.

To prove our hypothesis, we made a Competitive Analysis Matrix that will support our claim for our hypothesis. Our app #SmartSUBSCRIPTION will provide all the benefits that customer seeks from the app.

APPS	Competitive Analysis Matrix						
	Cancel Unwanted Subscriptions	Generates Alerts when Bill is due	Monthly Autopayment	Financial Planning	24*7 Customer Support	2-step Customer Authorization	Customer Approval before any autopayment
Truebill	✓	✓	✓		✓		
Trim	✓	✓	✓		✓		
Bobby	✓	✓	✓				
SubscribtMe	✓	✓	✓		✓		
SmartSUBSCRIPTIONS	✓	✓	✓	✓	✓	✓	✓

Differentiation:

Our team has excellent market analysis skillset to make fair decisions on the basis of our judgments. With a good understanding of business and extensive research on customer behavior and segments, we believe that we are well equipped with all the metrics to pursue this opportunity.

Why Now?

The penetration of smartphones is at an all-time high, with US statistics reaching almost 80%. Additionally, as the number of frameworks and developers increased, the barriers to designing mobile applications dropped substantially. With the number of online paid subscription services increasing year over year, Smart Subscription would be the ideal solution to improve the overall experience of customers and also providing media-services providers with statistical data for improvements.

Use Cases

In the case of

1. **Students and youth**, they use the app more for **tracking & money-saving purposes** as they can see the total amount spent on subscriptions on a monthly and yearly basis.
2. **Working professionals** use the app more for **time-saving purposes** by setting alerts and using easy cancellation services provided by the “Smart Subscription” app.

Use Case #1: Don't Worry!

Dayla is a contemporary art junior at Boston University. She is a movie buff and foodie. She has many entertainment and express food delivery app subscriptions that she shares with her friends. She subscribes to the Netflix family plan and adds it to her subscription list in the “Smart Subscription” app. She can manage her subscriptions easily. She adds Netflix to her list of apps set up for autopay. Now she doesn’t have to worry about losing track of the subscription. She easily manages her subscriptions with the app.

Use Case #2: Easy Analysis

Maya is in her senior year of college and is actively looking for jobs. Since she is so busy in her studies, job search and interview preparation, she has added all her subscriptions in the “Smart Subscription” app. She opens the app and looks at her monthly expenditure on subscription analysis. She sets up autopay on and is free of stress for various applications’ subscription payments.

Use Case #3: Quickly Unsubscribe

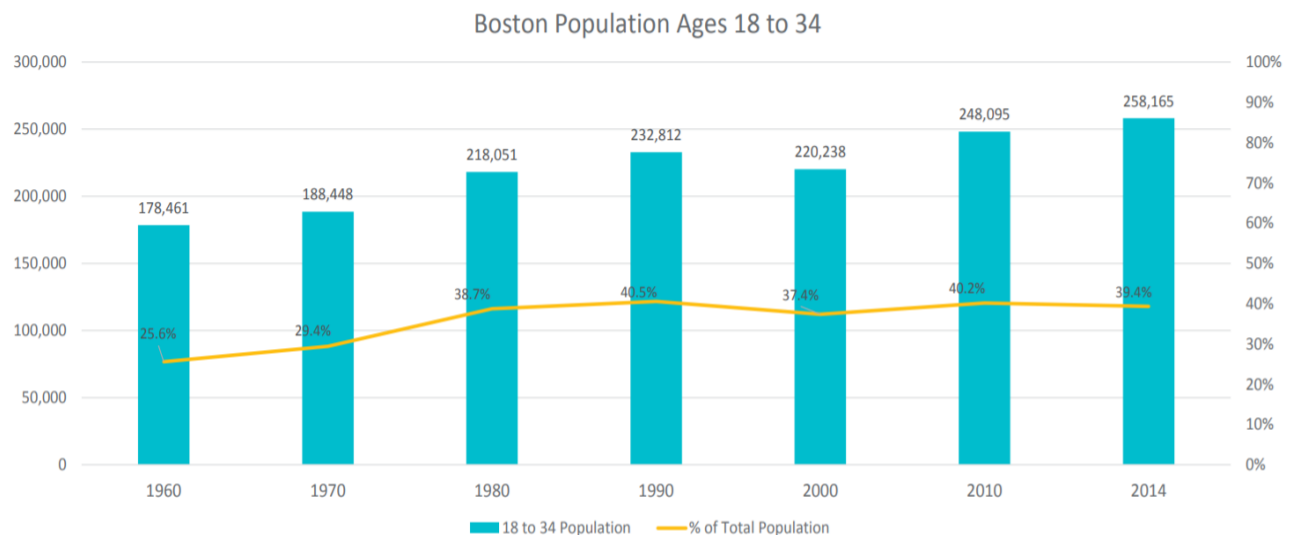
Stacy is a marketing manager at a software company. She realizes that she has a few subscriptions that are not useful anymore. She opens the “Smart Subscription” app, finds the list of all her subscriptions. She selects the app she wants to discontinue subscription and clicks the discontinue subscription button. Viola! She easily gets rid of the unwanted app subscription.

Use Case #4: Alert Me!

Sanya is an English literature professor at Harvard University. She has various newsletters, entertainment, online book reading forum subscriptions. She wants to receive the literary society’s newsletter every month without missing a beat. She opens the “Smart Subscription” app & sets an alert for the subscription fee payment. Now she doesn’t have to worry about missing the newsletter.

Market Size

The majority of customers will be people in the age range of 18-34 in Boston, which was 260 thousand people, about 40% of the total population, for 2018. We suppose 76% of them have at least one subscription, meaning that 200 thousand people in Boston are our potential customers. If they give us positive feedback (which they absolutely will!), we will expand the APP to other states in the USA.



Caveats / Risks / Key Dependencies

- Privacy concerns: this APP gathers customer information, including subscription accounts and payment methods. We will need to ensure a secure system that does not reveal customer privacy.
- Competition: Since there are some APPs with similar functions in the market, there is a risk of being beaten by these market pioneers. We should add some fancy, attractive functions and promote our APP.
- Interdependencies with subscription accounts: our APP requires a connection with phone APPs, so the authority and accessibility to APP accounts are necessary.

Strategic Considerations

The solutions proposed are very consistent with our organizational strategy. We are aware of the existence of subscription management applications like Simplifi, Bobby & Truebill, but they don't have the features like subscription cancellation and monthly expenditure analysis. We did research

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and found that these two features along with a better UI are definitely favorable for the current market and meet the needs of customers.

Our primary strategy is to launch our application first in the Boston area, and then according to the responses, we will analyze and decide our approach to expand to other cities and countries.

Go/No Go Recommendation

Based on all the information provided and the data we collected from interviews and surveys, Our team is recommending a **GO!** There is definitely an unmet need regarding this subscription management service and the market size supports our plan. So it is definitely worth a try.

Sources:

1. The major customers are calculated on the basis of the latest available data from 2018.
<http://www.bostonplans.org/getattachment/3e8bfacf-27c1-4b55-adee-29c5d79f4a38>
2. 3 in 4 (nearly 76%) Americans Have an Online Subscription
<https://www.prnewswire.com/news-releases/3-in-4-americans-have-an-onlinesubscription-and-video-streaming-is-king-300817987.html>
3. Young adults in Boston by 2014
<http://www.bostonplans.org/getattachment/b3e916cf-9146-4ab5-af7f-e60f033e3e05>

Appendix:

Based on the interview and survey with the customers, the following responses are recorded:

“I feel that I am paying a lot more on subscriptions which are not used frequently”

“I need a service that can remind me of the due dates of the subscription payments”

“I am not able to track multiple subscriptions as I tend to forget due to busy schedule”

“A one-stop solution will really be helpful to track all expenses and usage of my subscriptions”

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