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Complete overview of the given case and its solution

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All the pain points of potential customers between age group 16-22

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Overcoming of al the pain points with a complete new product

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Executive Summary



Situation

20% of Xfinance's registered users are students between ages 16 and 22, constituting about 10% of its active users. But if users of its demographic use the app regularly, their lifetime value improves significantly.



Understanding the pain points of the generation with no brand loyalty who is willing to shift to the alternatives offering more ease, benefits and convenience.





Lack of knowledge on how to spend, save and invest



Less risk-taking capacity & real-time options to understand stock market



Slow Customer Service



Security threat



Zoomers: A personal finance section

Treasure: Gamification of stock market

Chat GPT and 24*7 helpline

Updated privacy terms



Marketing tactics & impact

Reward system:

Throughout the product which can be exchanged for different vouchers

cross functional 20+ target market

Celebrity endorsements:

Collaborations with fininfluencers and newsletters

V

Expected lead <4% conversion rate

Loyalty schemes:

Offering reward points for consistency in savings and payments.

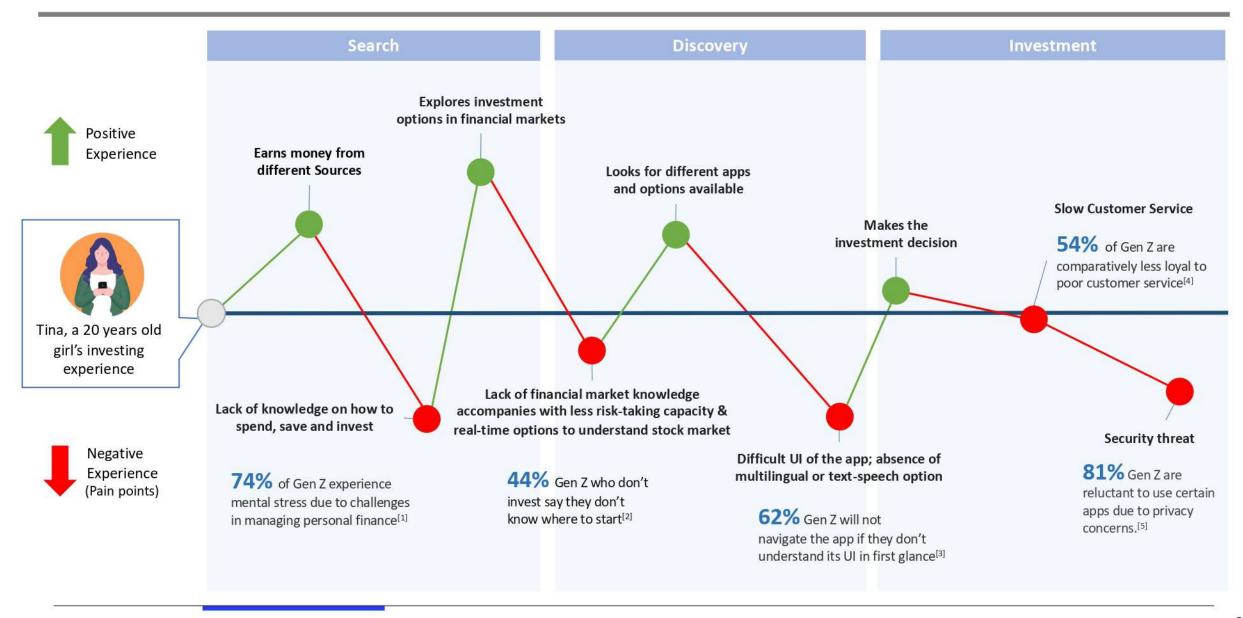
Customer Life Rs. 200 Time Value

Referral programs:

Opportunity to earn cash through app downloads using referral codes.

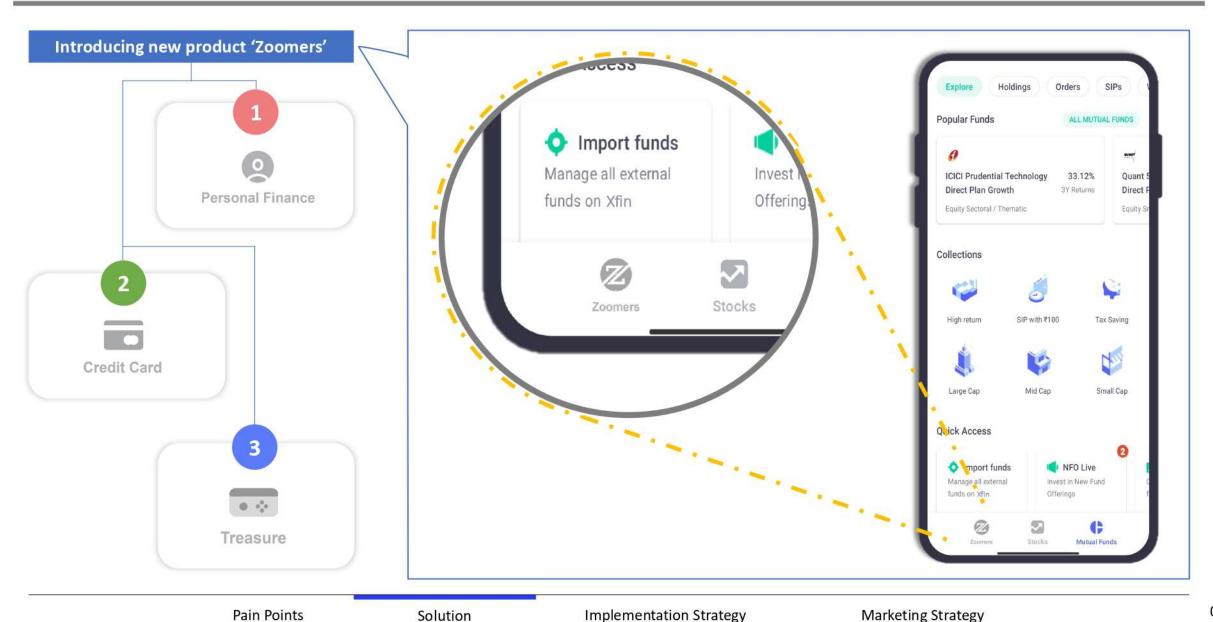
Monthly Active 9 Mn Users (MAU)

Gen Z reject "One-fit-for all approach", faces several pain points



Deloitte's 2022 Gen Z and Millennial Survey
Pain Points Solution Implementation Strategy Marketing Strategy 02

Gen Z focused section to mitigate pain points & increase CLTV & retention rate



Implementation Strategy

Pain Points

Solution

03

A sub-space for managing and learning personal finance to enhance MAU

Personal Finance Space

Credit Card Space

Treasure Space

Expense Tracker

Tracks expenses of students using payment service of the app. Data is used to give personalized recommendations on saving their money.

Emergency Fund

Create personalized funds where user can invest a fixed amount (can even be Rs 30) weekly or monthly. This will induce savings. With every saving user will <u>earn reward points</u>

Your Budget

Prepare a weekly or monthly budget that user can review.

Credit Score Calculator

Tax rates on various items can be verified and the users can check the tax they have to pay

Users can calculate their credit score and maintain healthy score

Tax Calculator



Your Goals

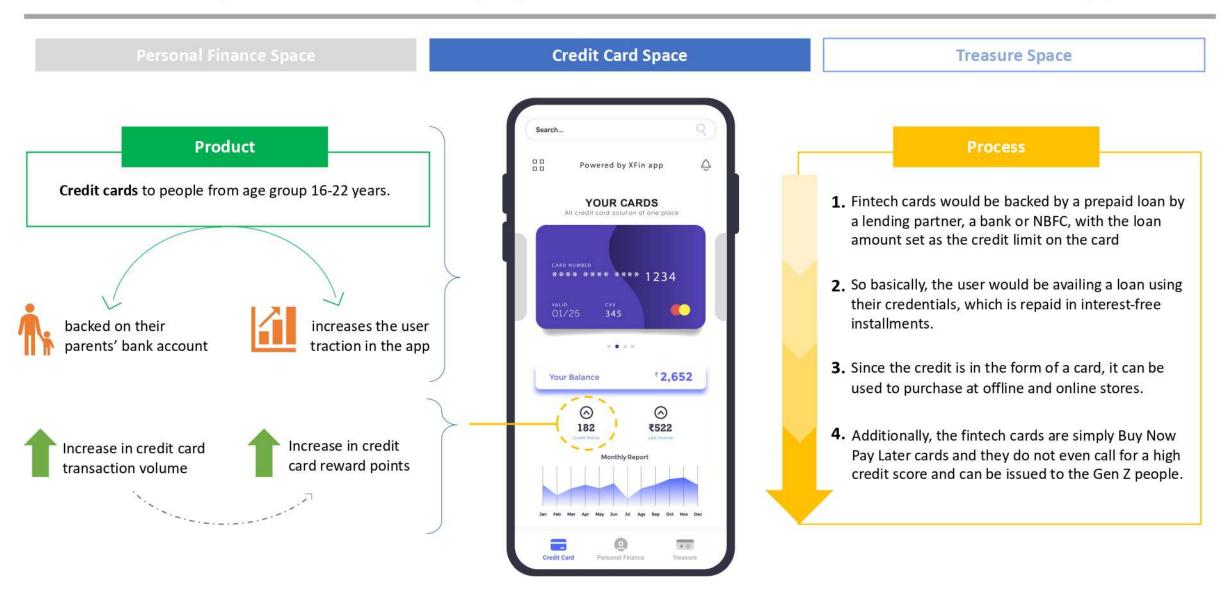
The user can set a spending or saving goal. The app will give alerts when the goal is about to be reached. <u>A user gets reward points when goal is completed.</u>

Short form personal finance blog

These blogs will guide the user on how their money can be managed. There would be quizzes at the end of each blog which will help in <u>earning reward points</u>.

Marketing Strategy 04

Credit facility to increase the payment transaction volume from Xfin app



05

Gamification of stock market to provide real-time market exposure

Personal Finance Space

Credit Card Space

Treasure Space

Our Goal- Anywhere, Anyone can master Investing and Trading



Build

Helps in Building trading skills to minimize risk. Zoomer offers top tools to help you pick the right stock.



Trade

Benefit of trading without the fear of losing money by the use of virtual cash to buy/sell stocks.



Learn

Earn rewards and cash prizes each time you build a winning portfolio.



Grow

Grow with India's top investors, see their portfolio and evolve.

We Believe in

O1
Trust: 'Zoomers' aims to become a trusted leader for investment learning

Security: You are in safe hands. We take our user security on first priority

Privacy: We will never share your private data without your consent

Process of reward redemption





Build Your portfolio Follow experts, learn and start building



Bring your own GANG It's no fun without

It's no fun without friends; who are we kidding!



Rewards

Claim exciting rewards by securing top rank in the quizzes and trading

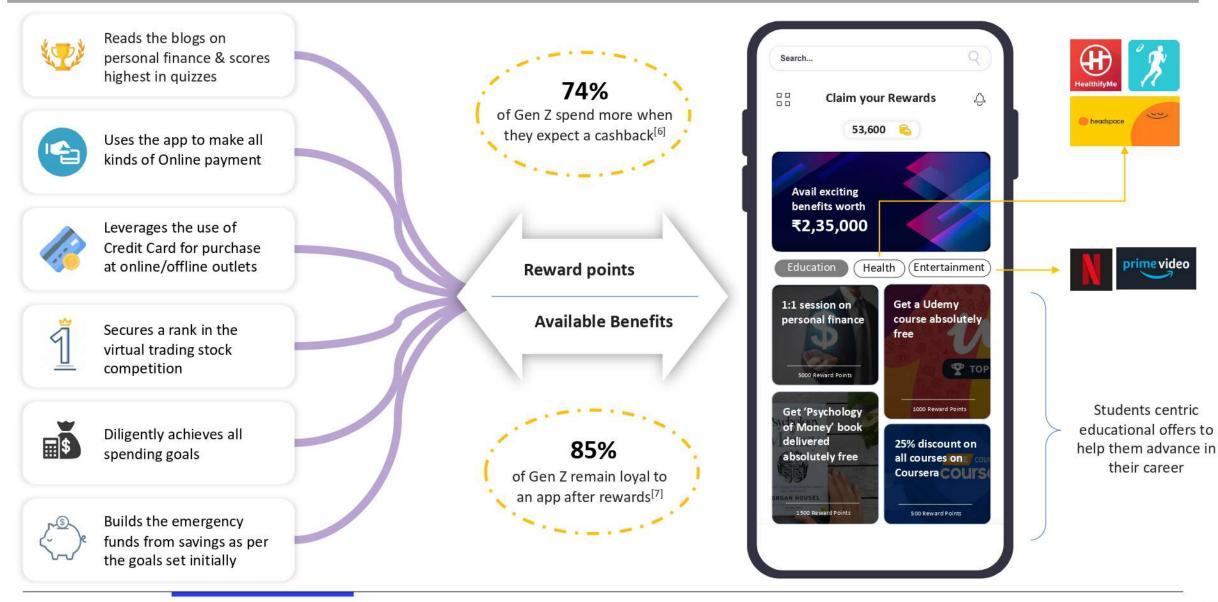


Community

Discover new companies, follow experts and learn everyday



Reward mechanism to improve CLTV and Xfin app loyalty



Pain Points Solution Implementation Strategy Marketing Strategy 07

Analysis of development cost and legal compliances

The information Technology Act,2000

Section 43A

Businesses are liable for damages if they fail to take reasonable security precautions to protect the sensitive personal data of their customers.



Establishes penalties for leaking info in breach of a valid contract. Personal data about individuals is very important to FinTech firms. It is crucial to adhere to the mandated data security laws in order to avoid legal difficulties.





Reserve Bank of India Rules

RegTech

Regulatory technology, has the potential to be useful in simplifying the regulatory reporting system, compliance and risk monitoring, safeguarding consumer interests, and identifying financial crime.

SupTech

RBI has implemented surveillance technologies known as **SupTech** for data collecting and analysis. It is the risk-based supervision of banks, which is heavily data-driven.

Collaborations

Collaboration with NBFCs/Bank, A fintech application is by itself not eligible to provide credit cards, thus it has to tie up with them to be able to extend credit.





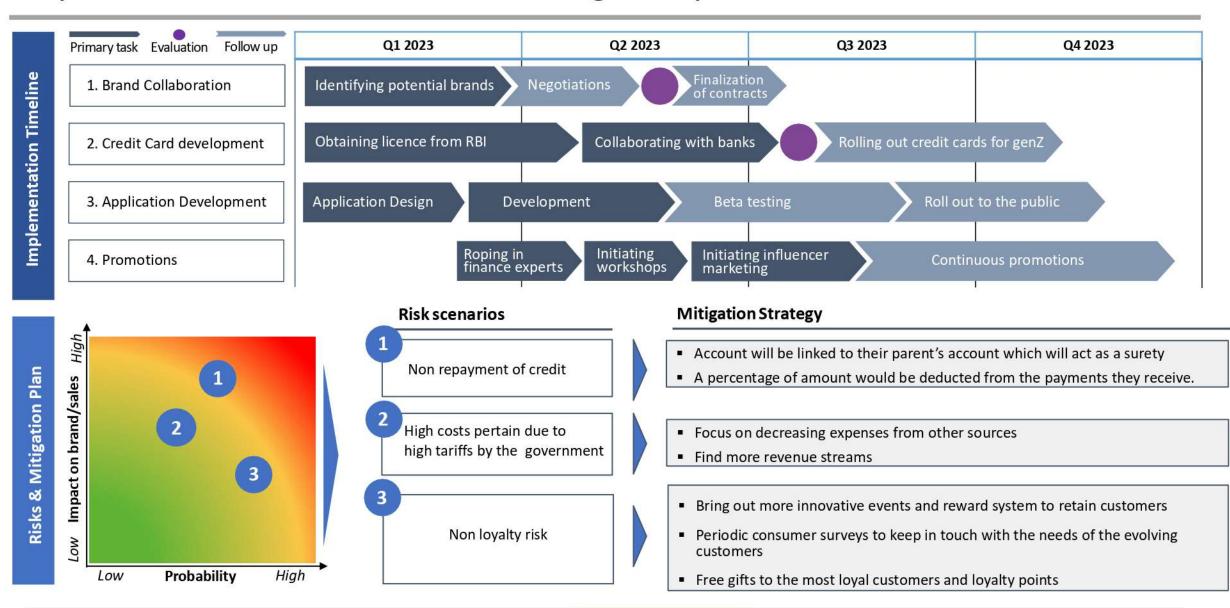
Particulars	Cost	
Application development	10,00,000	
Collaboration with brands (For rewards)	6,00,000	
Business Overheads(Staffing)	1,62,00,000	
Collaborations with Fin-fluencers	8,00,000	
Collaboration with banks/NBFCs	1,50,000	
Credit card Costs	5,00,000	
Other promotional expenses	54,00,000	
Total	2,46,50,000	

*Details in appendix

08

Pain Points Solution Implementation Strategy Marketing Strategy

Implementation timeline and risk mitigation plan



09

Promotional tactics to increase Gen Z traction

Target Audience

Demographics

Age: 16-22
Gender: Male &
Female
Profession:Students
and people at early
start of career

Psychographic

- Hustle culture
- Techno savvy/ trend followers
- Admires
 Innovation

AWARNESS

Offline Marketing

Ads on Print Media
Ads on TV Channels
Installing Billboards

Online Marketing

SEOs; SEMs Directing traffic to Xfinance's website



readon etc

Hiring ambassadors like Pranjal Kamra, Akshat Shrivastva, Rachna Ranade etc.

Celebrity Endorsement

Make the application popular and worth considering through-

CONSIDERATION

Attractive website and blogs regarding personal finance management and trading recommendations

Tie ups with already existing finance news letters to build a trust among readers

Holding paper trading events and finance workshops to build interest

Volume



Demand

Behavioral

Affinity for rewards and other incentives
Brand loyalty is low

Geographic

Tier-1 cities Delhi, Bengaluru, Kolkata, Mumbai, etc. Tier-2 cities Ahmedabad, Pune, etc.

SERVICE

• Providing seamless UI at the one stop destination application for all finance needs

Customers should feel emotionally attached to the company's service

Providing personalized experience for managing finance and the areas money can be saved by tracking expenses

POST SERVICE

1*7

support service

Loyalty schemes and discounts on referrals

Planning events for finance enthusiasts Referral Programmes: The customer will get reward points for each referral download which can be encashed into their preferred product or service based on our tie-ups.

Pain Points Solution Implementation Strategy Marketing Strategy 10

Optimising 7 P's to acquire Gen Z

The essential feature of any marketing mix is the product.

'Zoomer' launched specially for the Gen Z caters to their ever evolving needs and takes into account their pain points.

- Partnerships with banks and Non **Banking Financial instruments**
- Strategic partnerships with FMCG firms to provide reward points and cash backs

< 50% Millennials & Gen Zs likely to use loyalty-based mobile apps^[8]

PENETRATION STRATEGY: For the application features (Gamification: treasure & personal finance)

Credit cards at nominal fee.

The target group: People from 16-22 years of age.

Enhancement of customer service

54% of gen Z are less loyal to poor customer service^[9]

These new features under 'Zoomers' section would be available on the Xfin application, thus ensuring that there are no separate hassles.

> Digital Presence: Gen Z spends more than 2x the time using mobile apps daily than those 45+ years of age

> > 38.8% of Gen Z learn about personal finance from Social media^[10]

> > > 11

- Social media channel: Majority gen Z prefer social media for their learning
- Collaborations with fin-influencers: 5 times more likely to get financial advice from social media and fininfluencers than adults who are 41 and older.

People

MARKET

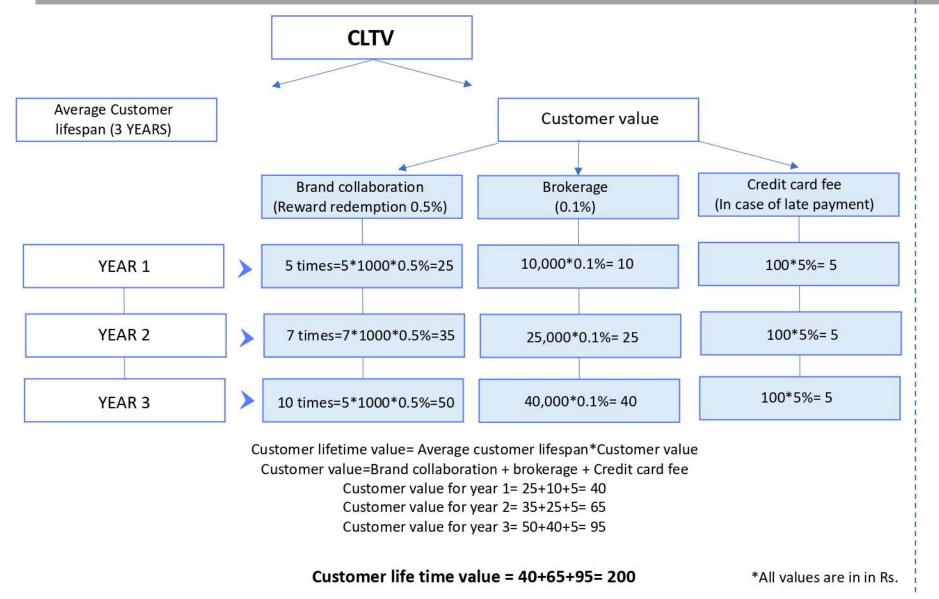
MIX

Marketing Strategy Pain Points Implementation Strategy Solution

Appendix: Financial Consideration

S.NO.	Particular	Cost	Amount (Rs.)
1	Application development (Since individual costs are not available, we have taken a rough figure based on different websites)	10,00,000	10,00,000
2	Collaboration with brands (For rewards)		
	Vendor Contracts (20 brands for start)	1,00,000	
	Cost of perks and rewards	3,00,000	
	Reward redemption	2,00,000	6,00,000
3	Business Overheads(Staffing)		
	Customer Service executives(30)	1,08,00,000	
	Personal Finance experts(15)	54,00,000	1,62,00,000
4	Collaborations with Fin-fluencers (On an average 40,000 per influencer and 20 are contacted for sufficient reach)	8,00,000	8,00,000
5	Collaboration with banks/NBFCs		
	Legal costs	50,000	
	Other misc costs	1,00,000	1,50,000
6	Credit card Costs		
	Sourcing(Contracting from the manufacturer)	4,00,000	
	Distribution (to various retail outlets and customers directly)	1,00,000	5,00,000
7	Other promotional expenses		
	Advertisement through banners/Posters	50,00,000	
	Promotions through referrals	1,00,000	
	Workshops in schools	2,00,000	
	Other miscellaneous costs	3,00,000	54,00,000

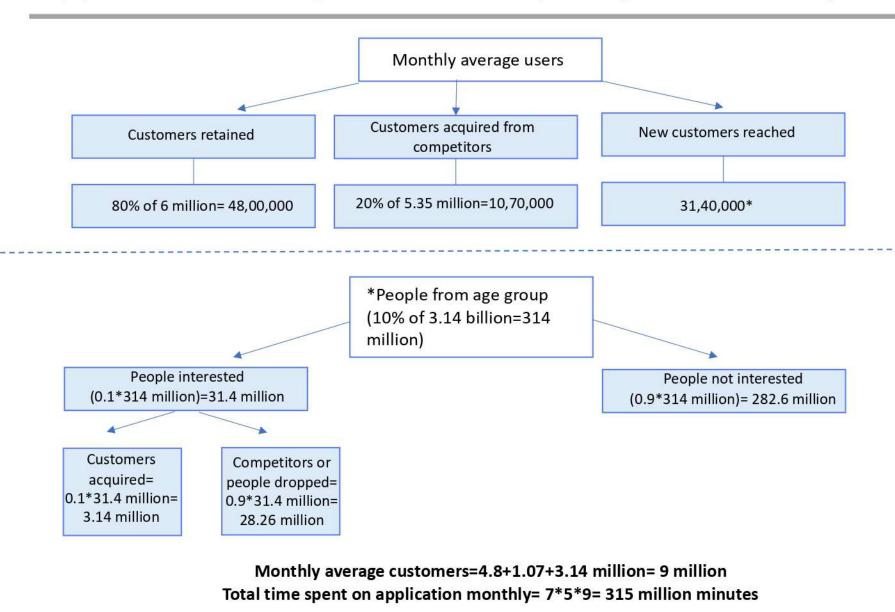
Appendix: Customer Life Time Value (CLTV)



ASSUMPTIONS

- It is assumed that the average customer lifespan is 3 years.
- Every year customer value increases.
- Average value of reward redemption is Rs. 1,000
- Commission on reward redemption is 0.5%
- ❖ Brokerage charges are 0.1%
- Brokerage commission is charged on total buy/sell value.
- This average amount is 10,000 : 25,000; 40,000 for the three years respectively.
- 1.10% is balance transfer fee. If minimum payment is not made on Credit Card then late payment fees is charged which is 5% of statement balance by stipulated date or time on your bill.
- Late payment fee is assumed to be Rs.100 on average for total customers. Bad debts are ignored for this calculation.

Appendix: Monthly Active Users (MAU) from January 2024



ASSUMPTIONS

- Existing customers are 6 million
- Market share of major competitors are 5.35 millions
- Total population of India is 3.14 billion
- Existing total customers are 12 million
- People between age group 16-22 years are 10% of total population
- ❖ 10% of these people will have means and can be convinced to invest.
- Xfinance will be able to capture 10% of this share.
- Average session per user is increased to 7
- Average session length per user is increased to 5 mins.
- 80% of existing customers are retained due to new products launched
- 20% of the competitor market is acquired due to convenience offered.

*All values are in in Rs.

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