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Embedded Finance Strategy for Education Ecosystems in Vietnam

Objective: Design high-adoption, low-friction embedded finance products in Vietnam's education ecosystem that parents will use, schools can promote safely, regulators tolerate, and that yield sustainable unit economics. We focus on **Vietnam** across all education segments (K-12, higher ed, tutoring, edtech platforms) with integration on digital platforms.

Market Context & Customer Insights (Vietnam)

Vietnam presents fertile ground for embedded finance in education. Smartphone penetration and digital payments are high – as of 2024 there were roughly 170% mobile subscriptions per population (multi-SIM usage) [1] – and **cashless payments are surging**. For example, 97% of students now pay national exam fees online [2], showing willingness to adopt digital solutions. Yet access to traditional credit is low (credit card ownership ~5-6% [3]). This gap yields demand for alternatives like "buy now, pay later" (BNPL) and e-wallets [3] [4].

Who is the real customer? In the education context, **parents are the primary customers** for K-12 and tutoring services, as they pay the bills and decide on financial products. Students are beneficiaries (and in higher ed or adult courses, they may be direct customers, but often parents still support financially). Schools themselves are key partners/channel rather than payers – they facilitate and promote the services to families but generally do not bear the cost. Understanding this dynamic is crucial: solutions must **deliver value and trust to parents**, while being easy for schools to endorse and not creating regulatory red flags.

Key adoption drivers: Vietnamese parents highly value education, but rising costs (private schools, tutoring, study-abroad) strain budgets. Flexible payments directly address this pain point by **easing upfront tuition burdens**, enabling more families to afford quality education [5]. When offered flexible plans, schools can attract a broader demographic, boosting enrollment and retention by making education payments align with family cash flows [6] [7]. Successful examples include private language centers now partnering with finance companies to offer 0% interest installment plans – a trend making quality courses accessible without lump-sum fees [8] [5].

Major adoption barriers: On the flip side, trust and UX are critical. Parents are wary of anything that looks like predatory lending or "too good to be true" schemes. Opaque terms, aggressive sales tactics, or hidden fees will **kill adoption quickly**. A cautionary tale is India's Byju's edtech, which faced backlash when salespeople signed parents up for loans without clear consent – parents felt tricked and indebted, leading to regulatory scrutiny [9] [10]. To avoid such pitfalls, **transparency and simplicity in the user journey are paramount**. Any embedded finance offering must be clearly explained (e.g. installment schedule, any fees or interest fully disclosed upfront), with easy opt-in/out, to build trust. UX should be mobile-first, minimal-click, and integrated into existing school or platform apps to reduce friction.

Regulators in Vietnam have not issued specific edtech finance rules yet, but **BNPL and digital lending oversight is tightening**. The State Bank of Vietnam is developing a fintech sandbox and considering rules like mandatory disclosures, late fee caps, and eligibility checks for BNPL [11]. Officials emphasize consumer protection and risk management to prevent over-indebtedness [12]. Therefore, our solutions should **self-regulate to align with expected norms** – e.g. clear disclosure (in local language), prudent credit risk controls, and data privacy – to ensure regulators remain comfortable. Products like short-term installment plans (BNPL) currently operate in a gray area (treated as payment scheduling rather than formal loans) and are tolerated, but we should design with future compliance in mind (potentially partnering with licensed lenders).

Finally, consider the **impact on core metrics**: A well-implemented embedded finance product can positively influence a school or platform's business. **Enrollment** can increase as upfront cost barriers fall – families who might not afford a one-time tuition of e.g. 20 million VND may enroll if they can pay 5 million per quarter. **Retention** may improve if students can continue studies during financial hiccups (rather than drop out for lack of fees – especially if we introduce safety nets like insurance). **Lifetime value (LTV)** of a student/user increases when financing enables them to purchase additional courses or higher-end programs over time. In essence, by solving financial friction, we not only earn revenue from the financing itself but also expand the user base and usage on the education platform.

Top Embedded Finance Use Cases (Ranking for Vietnam)

Considering Vietnam's market conditions, we identify and rank the most promising embedded finance use cases (entry wedges) for education:

1. **Tuition Installment Plans (Education BNPL)** – *Rank: #1 (High adoption potential)*. Breaking tuition or course fees into monthly installments (often at 0% or low interest) is the strongest wedge. It directly targets the biggest pain point (lump-sum fees) and has shown traction in Vietnam with fintechs partnering with schools [13]. Parents readily understand this offering as it immediately eases cash flow pressure. We detail this use case below.

2. **Digital Education Wallet & Prepaid Card** – *Rank: #2 (Medium adoption, strategic for engagement)*. A digital wallet (or account) dedicated to school-related payments, possibly with a linked card for the student, can streamline daily transactions (cafeteria, books, online classes) and enable parental control of spending. While not as urgent a need as fee financing, it adds convenience and stickiness to the ecosystem. Given Vietnam's booming e-wallet culture (MoMo, ZaloPay, etc.), an edu-focused wallet could piggyback on that familiarity. We discuss this in detail below.

3. **Insurance Bundles (Education Protection Insurance)** – *Rank: #3 (Lower initial adoption, but important trust enhancer)*. Offering insurance products embedded in the education journey – such as tuition refund insurance, student accident/health insurance, or loan protection – can address risks that worry parents. This is likely a supplementary add-on rather than a primary hook; adoption may be modest initially (as insurance often is optional), but it can differentiate the platform and protect both families and the school's financial continuity. We explore this below.

(Note: We compare BNPL vs traditional education loans as part of the tuition installment discussion, since they are two approaches to the same need. In Vietnam, short-term BNPL-style plans are more feasible initial offerings than long-term student loans, which require heavier regulation and capital.)

Parents and students can benefit when tuition payments are broken into affordable installments, allowing access to quality education without an overwhelming upfront cost.

Use-Case Deep Dive

1. Tuition Installment Plans (BNPL for Education)

Concept & Value Proposition: Tuition installment plans let families **"buy now, pay later" for education** – in other words, enroll a student immediately while spreading payments over time. This can take the form of a **BNPL model** (short-term, interest-free installments, often 3–6 months) or a **longer-term education loan** (spanning 12–24+ months, typically with interest). In Vietnam, BNPL-style offerings are emerging as an attractive option for small-to-medium education expenses (usually under ~10 million VND, about $400) [4]. These plans require no credit card and minimal paperwork – parents can get instant approval in-app and pay via monthly digital payments, often with **0% interest if paid on time** [4] [14]. The value prop to parents is clear: **immediate access to education for their child without the strain of one-time large payments**. For schools and edtech platforms, offering installments can boost enrollment and conversion rates – more sign-ups as cost becomes manageable – and reduce dropout due to financial reasons.

BNPL vs Traditional Loan: While fundamentally both are credit, there are differences:

- **BNPL (Buy Now Pay Later)** – Typically shorter tenure (e.g. 3, 6, or 9-month plans) and often marketed as "zero-interest" with the provider earning from merchant fees or small fixed charges. It's designed for quick approval and convenience: **no formal proof of income or collateral needed, and approval can be near-instant** [4]. In education, BNPL is suited for things like a semester's tuition, a short course, or a training bootcamp fee. Vietnam's BNPL providers (e.g. Fundiin, MoMo's Pay Later) have already started entering sectors like education [13]. This route is **low-friction** – a parent might just click "Pay in 3 installments" on the school's payment page, do an e-KYC if not already done, and that's it. However, BNPL usually covers smaller sums; providers often set limits per transaction and customer (e.g. a few million VND) until trust is built.

- **Traditional Education Loan:** A longer-term loan (could be 1-4 years or more) to finance extensive education costs (e.g. an entire university program or study abroad). Banks in Vietnam (like VietinBank, Shinhan Bank) do offer tuition loans that cover 100% of fees, sometimes with collateral or requiring salary proof [15] [16]. These can cover large amounts but have higher friction – applications, credit checks, sometimes guarantors. Interest is charged (often in the ~10-15% annual range depending on bank). For our strategy, traditional loans might be a later offering or handled via bank partnerships for specific cases (like financing an international degree). As an initial wedge product, **BNPL-style installments are preferable** due to ease and regulatory light-touch (loans would necessitate banking licenses or partnerships from the start).

User Journey (Parent Funnel): We design the **parent's experience to be as seamless as any e-commerce checkout**, integrated into the school or platform's existing app/portal:

- **Discovery:** Parent is about to pay a school fee or course invoice on the digital platform. They see an option: "Pay in 6 monthly installments" alongside the usual "Pay in full". The installment option clearly shows terms (e.g. "0% interest, just VND 5,000,000 per month for 6 months").
- **Application:** If selected, the parent is prompted to provide any needed info. Since this is embedded, much is pre-filled – the platform already knows the student and parent's basic details, and we leverage Vietnam's national digital ID where possible for instant verification. The BNPL provider (or partner bank) runs an **instant credit decision** in the background (using criteria like payment history at the school, maybe alternative data such as utility bill payment, etc.). Because many Vietnamese are new to credit, the system might approve smaller amounts by default for first-time users – but keep it high enough to cover typical fees.
- **Approval & Payment:** Within seconds, the parent gets an approval message (in-app) indicating their installment schedule (e.g. "Approved for 6-month plan. First payment of VND 5,000,000 due now, subsequent payments auto-deducted monthly on this date."). The parent digitally signs the agreement (a one-click accept of terms). They then pay the **first installment immediately** – either via linked bank account, e-wallet, or card. The transaction is done; the school is notified and the student's enrollment is confirmed as paid.
- **Repayment:** Future installments are **auto-collected** – since integration is digital, we set up an auto debit from the parent's chosen funding source (or send a MoMo/ZaloPay request) each month. The parent gets reminder notifications a few days before each due date and a confirmation when paid. They can also prepay early without penalty (encouraging flexibility).
- **Completion:** Once all installments are paid, the parent gets a congratulatory note and possibly an offer for another product (e.g. "You've built a good repayment history – next semester you're pre-approved for a larger plan or a reward"). If any installment fails (e.g. insufficient funds), the system immediately notifies the parent and gives a grace period/retry, along with late fee info if applicable (transparency is key here to maintain trust).

This funnel emphasizes **minimal clicks, clear information, and trust signals**. For instance, we will display the **total cost** (if any fees) upfront in the plan summary. If it's a 0% interest plan, we highlight "0% interest, no hidden fees" boldly – regulators expect such clarity [11]. We also incorporate school branding or endorsement (e.g. the school's logo next to the financing option) so parents know it's a **trusted, school-approved program**, not some random scam. By keeping everything within the familiar school app/website, we reduce the "fear of the unknown" factor that could otherwise deter less tech-savvy parents.

Risk Management & Defaults: One of the biggest concerns for this use case is the risk of default or late payments. Education is a somewhat unique sector: unlike retail BNPL (where a default just means the

lender eats a loss on a TV or dress), here a default could mean a child's ongoing education is at stake. We must handle this delicately:

- **Underwriting:** Start with relatively conservative credit limits. Leverage any data we have – e.g., if the parent has paid previous terms' fees on time or has a stable salary (some schools collect that info during admissions), that can inform approval. We might require a **down payment** (say 10-25% of the fee) as the first installment, which not only shares risk with the parent but also psychologically commits them to follow through (skin in the game). This mirrors typical BNPL practices of an initial payment at purchase [17].
- **Defaults:** If a parent misses a payment, our system should immediately flag it. We'd have a **grace period and support outreach** – perhaps the next day a friendly reminder and a phone call offering help (maybe they can defer one installment to the end if they hit a short-term cash crunch, etc.). The idea is to prevent default from leading to the student being expelled – that scenario would harm the child and seriously damage trust in our product. Instead, work out a plan: maybe allow a one-month extension (with a reasonable late fee or interest for that extra time, as allowed by regulation).
- **Mitigating Loss:** In case of outright default (payment not made despite grace), we likely absorb the loss (hence the importance of good underwriting). However, since the school is a partner, there could be mechanisms like the school withholding certain privileges (exam results, or not allowing re-enrollment for next term until dues are cleared) – many schools already do this for non-payment of fees. Any such measures must be communicated transparently in the user agreement. Also, we might consider **insurance or a guarantee fund** for defaults (see Insurance section) – e.g., a small fee built into the plan that goes to a pool covering losses, or partner with an insurer to pay out the school in event of default. Regulators will watch that we do not engage in heavy-handed collection that violates consumer protection, so our tone remains one of support (aligning with cultural norms of valuing education – we position it as "we're helping you keep your child in school, let's find a way to resolve this" rather than aggressive loan recovery).
- **Fraud Prevention:** Ensure the person taking the plan is truly the parent/guardian. Because we integrate with school records and national ID, fraud risk is low (hard for a random person to impersonate a parent to take a loan, unlike e-commerce BNPL where identity theft is a risk). However, internal fraud (like a school staffer colluding to fake an enrollment and take money) could be a risk – we will require disbursements go directly to the school account (not to individuals) to ensure funds are used for education purpose.

Revenue Model: There are a few ways to monetize tuition BNPL:

- **Merchant (School) Fee:** Similar to e-commerce BNPL, we could charge the school or education provider a fee per transaction – for example, 3-5% of the tuition amount – in exchange for the service and upfront payment. The school effectively gives up a small discount to get the money upfront and enable more enrollments. Many retailers accept this in BNPL; however, schools operate on tighter margins, so a high fee might be hard to swallow. Some premium institutions (international schools, expensive private programs) may agree if they see it boosts enrollment. For instance, a Vietnamese bank ACB ran a promo with top private schools offering 0% installment to parents, where the **school presumably bore ~3% fee for 9-12 month plans** [18]. This indicates schools are willing to subsidize a bit to attract or retain students.

- **Interest or Service Fee to Parents:** Alternatively, we charge the parent a financing fee. This could be an interest rate (e.g. 1% per month simple interest, which is ~12% APR) or a flat upfront fee. In Vietnam, some installment programs by consumer finance firms do charge interest – e.g. one

support program advertises interest from 0.9%/month (~10.8% APR) [19]. For wider adoption, though, lower is better. We might start with a **promotional 0% interest model** (funded by either a school fee or our own investor capital) to encourage uptake, and later introduce low interest on longer plans or for riskier segments. Transparency is key: if we charge, we explicitly show "Interest: X%" in the plan breakdown.

- **Late Fees:** If a payment is late, a small late fee can be applied (many BNPLs do this). This both penalizes and offsets increased risk. We should keep it reasonable (regulators often cap late fees; e.g., future rules might limit them to avoid predatory behavior [20]). Perhaps a fixed fee (like 50k VND or a % of installment).

- **Cross-subsidy by Platform:** If the education platform benefits from higher sales, it might internally subsidize the cost (essentially treating the BNPL cost as a marketing expense to increase enrollment). For example, an edtech selling an expensive course might itself cover the financing cost to get more signups (as many retail merchants do). This is case-by-case; our strategy can include this as a negotiation point with partners ("We'll provide the tech and capital; you, dear school, give a 5% discount which funds the 0% plan for parents").

Unit Economics: We will detail in a later section, but at a high level, a sustainable unit economics for BNPL requires balancing a **take-rate** (fees or interest) against **credit losses and funding costs**. Vietnam's consumer credit NPLs are in the low single digits officially (~2-5%) [21], but for unsecured short-term lending we might expect a higher default in subprime segments. However, education might see better-than-average repayment because parents prioritize schooling (we assume default rates perhaps ~2-3% if targeting middle-income families carefully). Our goal is to keep default <5%. If we charge, say, a 5% fee to the school, and incur ~3% losses + ~1% funding cost, we net 1% profit on volume – a thin margin, but with potential to improve via scale and data-driven underwriting. Alternately, a ~10-12% APR to parents on a 6-month plan (effectively ~5-6% of principal in total) could cover similar loss and cost structure. We will present a unit economics table later for clarity.

Case Study & Feasibility: Early evidence shows this use case works. Vietnamese fintech Fundiin has **partnered with schools to offer installment-based tuition payments**, seeing education as an untapped BNPL sector [13]. Private education groups and training centers are adopting these plans to attract students. Parents have demonstrated positive response to 0% installment offers for things like English courses and exam prep, as noted by Home Credit Vietnam (many language centers now advertise "học phí trả góp 0%" to entice sign-ups) [8] [5]. This indicates a cultural acceptance is building. We must, however, heed lessons from elsewhere: by maintaining ethical sales (no pushing unnecessary courses with financing) and ensuring families don't overextend (maybe limit to one active plan at a time, preventing taking multiple loans concurrently which some BNPL providers are now doing to manage risk [12]).

In summary, **tuition installment BNPL is our top priority product** – it has a clear market gap, strong user value, and alignment with Vietnam's fintech growth trends (the BNPL market is booming at ~26% CAGR [22]). Executed well, it will generate goodwill (helping kids get education) while creating a revenue stream and user base for upselling other financial services.

2. Education Wallet & Student Card Solutions

Concept & Value Proposition: An **education wallet** is a digital wallet account embedded in the school or edtech platform's system, enabling easy cashless transactions for all education-related payments. Parents can top up this wallet and use it to pay tuition, buy school uniforms or books, pay for school lunches, or any ancillary fees. It can also be configured to give **students a prepaid card** (or a virtual card in a mobile app) tied to the wallet, which can be used at approved merchants (on-campus stores, online education apps, etc.). Essentially, it creates a closed-loop (or semi-closed) payment ecosystem centered on the education provider.

For example, a university might issue students a campus e-wallet that handles tuition and can be used at the cafeteria and bookstore. Or an online tutoring platform might have an internal wallet where parents deposit money and it gets deducted per lesson or can be used to subscribe to new courses with one click. This is somewhat analogous to how some gaming or e-commerce platforms have internal wallets for seamless purchases.

Why it's valuable: Convenience and control. Parents using a dedicated edu-wallet don't have to juggle bank transfers, cash, or different payment apps for each fee; everything is in one place, with a clear ledger of what was paid. They can also set **budgets and rules** – e.g., load a monthly allowance for the student's meals or transport via the wallet, rather than giving cash. For older students (teens in high school or college), a linked card can teach them financial responsibility in a controlled manner (the card could only work at certain MCC codes or at partner merchants relevant to education). Schools benefit from **streamlined collection and transparency** – no more chasing cash or reconciling bank slips; the digital wallet records all transactions instantly. In fact, Vietnamese companies like Finviet offer services to **digitize the entire tuition collection process via e-wallet and QR codes** for schools [23], indicating strong institutional interest in such solutions.

From a growth standpoint, a wallet increases **user engagement and retention** on the platform. If a parent has money parked in the education wallet, they are more likely to spend it on additional services (extra classes, school events, merchandise). It also provides data on spending behavior which can inform future product offers (e.g. if we see a parent regularly adds money for after-school program fees, maybe we offer them an installment plan for a bigger summer program, etc.). Additionally, integrating a wallet is a step towards a "super-app" approach, which can differentiate the platform.

Features & UX: The wallet would be accessible via the same school or edtech app/website. Key features: - Easy **top-up options**: e.g. link bank account for one-click top-ups, connect to popular e-wallets (MoMo, ZaloPay) or accept credit/debit card top-ups. Possibly allow cash-in via agents if needed (though in urban Vietnam, digital top-up should suffice). - **Auto-pay**: Parents can set the wallet to auto-pay recurring fees like tuition on due dates, to avoid missing payments. - **Spending controls**: If a student card is issued, the parent app can control where the student spends (for example: "allow card use at cafeteria and bookstore, but not at ATMs or unrelated shops"). This ensures the money is used for its intended purpose (solving the trust issue of giving a child cash). - **Rewards or incentives**: To encourage adoption, we can have a loyalty program – e.g. small cashback into the wallet for each payment made, or tie-up with merchants (a stationery shop offers 5% discount when paid via the edu-wallet). If scale grows, these partnerships can even become revenue sources (merchant commissions). - **Budgeting tool**: Show parents a dashboard of their education expenses over time, broken down by category. This adds value by helping families plan (and underscores the benefit of keeping funds in one place).

The **student prepaid card** (physical or virtual) would ride on a payment network (e.g. NAPAS or Visa/ MasterCard if we want it usable off-campus too). Some international examples: in the US, products like Greenlight or FamPay (India) target teens with parental control cards. For our ecosystem, we might start with a virtual card for online purchases of courses or education supplies, and later enable a physical card for older students especially in higher ed (where they can also use it for daily needs with parental oversight).

Adoption considerations: We rank this second because while it's extremely useful, it may not have as immediate a pull as "free installments". The wallet's adoption will depend on network effects and convenience: - We should **integrate it from day one alongside the installment product.** For instance, when a parent uses BNPL for tuition, we automatically create their wallet account in the background. Any refunds or overpayments could flow into the wallet (enticing them to use those funds for something else on the platform). - We might not expect every parent to pre-load the wallet for no reason; many will just pay as needed. So, a strategy is to give a **small bonus** for maintaining a balance. E.g., "Keep a balance of ≥1,000,000 VND in your EduWallet and get an extra 1% of that as points each month" – effectively like interest or rewards, which is possible if we partner with a bank (the bank can hold the float and maybe provide that interest). - Because Vietnam has popular existing wallets, one question is: do we build our own wallet or integrate with those? A pragmatic approach: **partnership integration**. For example, we could integrate MoMo's payment gateway so that inside our app, a parent can choose MoMo, and perhaps MoMo could even white-label a section for education. However, having our own wallet allows more tailored features (like the student card, or restricting use to educational spends). We may choose to operate under a licensed e-wallet operator's backend to avoid separate licensing – essentially a co-branded wallet. (No existing partnerships or constraints were given, so we're open here). - **Trust and safety:** We must assure parents that the wallet is secure. Use bank-grade security, two-factor authentication for large transactions, etc. The funds in the wallet should be kept in a safeguarded account (preferably at a bank) so that even if our platform fails, the money is safe – this will be important for regulator comfort too. We can mention that it's regulated (if under a partner's e-money license) in our FAQ to build trust.

Revenue Model: Digital wallets are typically low margin, but can generate some revenue: - **Float income:** If users maintain balances, those funds (sitting in our bank account) can earn interest. In Vietnam, deposit rates might be ~4-5% annually; we could keep a portion of that (after perhaps giving some back as reward to users). With enough volume, this becomes non-trivial. - **Transaction fees:** Each time the wallet is used to pay the school or associated merchants, we could charge a tiny fee (could be zero to user and maybe a small % to the merchant, or if the merchant is the school itself, perhaps free). Given schools likely won't accept a fee for receiving wallet payments (they could insist on free methods like bank transfer), we might not earn on tuition transactions. But for third-party merchants in the ecosystem (say an online course marketplace, or a bookstore that integrates our wallet), we could take a standard payment gateway fee (1-2%). - **Interchange on Card:** If we issue a prepaid card on Visa/MasterCard rails for students, whenever they use it offline or online, we get interchange revenue (typically ~1% of spend) from the merchant's bank. If usage volume is high, this is a viable revenue line. For a closed-loop card (only usable at school facilities), there's no interchange, but we might encourage open-loop usage for older students to monetize their broader spending. - **Cross-sell financial products:** The wallet app could promote other services (insurance, or even the installment plans). Not exactly revenue of the wallet itself, but it's an anchor to keep customers in our ecosystem where we monetize elsewhere.

Costs: Operating a wallet involves tech infrastructure, compliance (KYC for each user, which we likely already handle for BNPL), and possibly customer support (e.g. handling forgotten PINs, etc.). Fraud is a

concern – e.g. someone stealing the student's card or hacking the account – so we need robust security (which is cost). Overall, if we leverage an existing licensed provider, we might share revenue with them. But since no specific constraint, we could even consider getting our own e-money license eventually if scale merits.

Growth impact: A well-used wallet can **increase retention**: parents who adopt it might be less likely to switch platforms because all their payment history and setup is there. It also provides more **touchpoints** – e.g., instead of interacting with the platform only at semester fee time, a parent might open the app every week to load canteen money. Each interaction is a chance for engagement or to present new offers.

A concrete scenario: A K-12 school in HCMC integrates our wallet for all school payments. Parents adopt it because the school stops accepting cash. Over a year, 90% of parents are using it to pay tuition, and, say, 50% also use it for daily meals and uniforms. The convenience wins them over – in fact, digital payment in schools is being actively promoted by the government as part of cashless society goals [24]. Our platform becomes deeply embedded (pun intended) in the school's operations, making it hard to displace. We could then leverage this position to introduce the installment plans or insurance to the same user base, who now trusts us for handling money.

Example/Benchmark: In higher education abroad, we see initiatives like **university eAccounts and cards** that generate revenue. One fintech commentary noted universities can even earn fees or interest from student accounts as a new revenue stream while improving student experience [25]. Our approach mirrors that: we empower schools with a fintech solution that's also beneficial to them (less admin hassle, potentially an incentive if we share some revenue or offer it as a paid service).

Vietnam specifically: The Ministry of Education's push for digitization means receptiveness to such solutions. Already, some schools allow fee payment via general e-wallets (like MoMo's bill pay). Our aim is to go a step further with a full-featured financial tool tailored for education.

In summary, **an embedded wallet+card solution** is a medium-friction, medium-adoption play that may not explode overnight but steadily builds a moat around our ecosystem. It complements the installment product: one addresses **affordability**, the other addresses **convenience/retention**. Together, they cover key aspects of the parent's financial journey with the school.

3. Insurance Bundles for Education

Concept & Value Proposition: This involves embedding relevant insurance products into the education financing journey to protect against adverse events. Education is a significant investment for families; certain risks can derail that investment – e.g., a student falling seriously ill and having to withdraw from school (losing the paid tuition), or a parent losing their job and being unable to pay fees/loans, or a student having an accident on campus incurring medical bills. **Insurance bundles** can mitigate these risks and provide peace of mind to both parents and schools. Key insurance products to consider:

- **Tuition Protection Insurance:** This would refund tuition (and possibly other education costs) if a student has to withdraw or pause schooling due to covered reasons like illness, injury, or other emergencies. For example, in the U.S., companies like GradGuard offer tuition insurance that reimburses up to 100% of tuition if a student withdraws for a medical reason [26] [27]. We can partner with an insurer to offer a similar product in Vietnam. This is especially relevant for higher education

or expensive private schools where tuition is high. It ensures that if the worst happens, the family's money isn't lost and can be used when the student resumes or for another purpose. Schools also like this because it means fewer disputes about refunds – it **enhances trust** that enrolling is a safe financial decision.

- **Loan Payment Protection (Credit Shield):** If we offer installment plans or loans, we can bundle an insurance that covers the remaining payments in case the parent (borrower) dies or is permanently disabled. This is common in loan products (often called credit life insurance). It ensures the child's education isn't interrupted by a tragedy, and the lender (us) gets paid by the insurance. Premiums are usually a small percentage of the loan amount.

- **Student Personal Accident/Health Insurance:** Many K-12 schools already require students to have accident insurance for school-related incidents. We could integrate this into the platform – e.g., at the start of the school year, offer a group accident policy covering the student for accidents 24/7 or at least during school activities. For a low premium, parents get coverage for hospital bills if the kid gets hurt (which is not uncommon in sports, etc.). Some international schools in Vietnam provide health insurance; if not, this could be a selling point that the platform brings a reputable insurer's coverage at group rates.

- **Device Insurance or Content Insurance:** In the case of edtech, if students use expensive tablets/laptops or purchase online courses, insurance could cover device damage or course cancellation. This is more niche, but for an online learning platform, offering "course cancellation insurance" (refund if you're unsatisfied or cannot continue) might reduce the perceived risk of purchasing.

Integration & UX: The insurance options should be offered *optionally* and in a user-friendly manner – **never forced (or "opt-out" by default)**, as that could breed mistrust. Instead, at relevant points: - At tuition checkout, a prompt: "Add Tuition Protection Insurance for only 1.5% of the fee? This will refund your tuition if your child has to leave school due to illness/injury." with a yes/no. - Or when signing a loan agreement: "Protect your payment plan – for an extra VND X per month, your remaining installments will be covered in case of death/disability." - In the app's dashboard, a section "Insurance" where users can see all available policies (student accident cover, etc.) and purchase at any time.

The process to buy should be simple (no lengthy forms – leverage the data we have). The policy documents and coverage details must be clearly provided (maybe a one-pager summary and a link to full T&C). We should also outline how claims are made, and ideally assist in that process to ensure a good experience if they ever need it.

Benefits to Stakeholders: - Parents: reduces the financial risk around education. It's like an assurance that their investment is safe. This can increase their willingness to commit to expensive programs (helping enrollment). It also builds trust in our platform as one that **cares about the family's welfare, not just selling a loan**. - Schools: With tuition insurance, they don't bear the burden of deciding on refunds during unexpected withdrawals – the insurance handles it. This makes it easier for them to promote these financing options without fear of being left holding the bag if something goes wrong. Also, if more students are insured, it could improve **completion rates** (since financial hiccups get smoothed over) [28]. - Our platform: We can earn commission on policies sold. Also, it's a differentiator – competitors might offer installments, but not many will think to offer insurance that increases security. Importantly, it directly

addresses one adoption killer: **fear of "what if I can't pay or something happens?"** Now we have an answer – you're covered.

Revenue Model: Typically, we'd partner with an insurance company who underwrites the policies. We integrate their product and get a **distribution commission** for each sale (could be ~10-20% of premium, depending on the product). For instance, if a tuition insurance premium is 2% of tuition and we sell a VND 100 million policy (so premium 2 million), we might earn a few hundred thousand VND commission. The insurer takes on the risk and later pays any claims.

We might also negotiate marketing fees or volume-based incentives from the insurer if we drive a lot of sales. In the future, if volume is significant, we could even consider a captive insurance model or self-insuring a portion, but initially, keep it simple with a reputable insurance partner (to reassure users – e.g. "backed by Bao Viet Insurance" or some known name).

Cost & Risk: Our direct costs are low here, since the insurer handles payouts. We do have to be careful to partner with financially solid insurers (we don't want them defaulting on claims – that would destroy our credibility). Also, there's a **reputational risk**: if claims process is cumbersome or many claims get denied on technicalities, parents will be unhappy. So we must work with the insurer to make coverage broad and claims easy (even if that means slightly higher premium). Essentially, **product design should be empathetic** – e.g., fewer exclusion clauses in the tuition insurance. We will test the claims process with the partner to ensure it's smooth.

Adoption: Realistically, not every parent will buy insurance. Global experience shows uptake can range widely – maybe 10-30% opt-in, unless it's made nearly free or mandatory. To improve adoption: - We can start by **bundling free trial insurance** for pilot users – e.g., "First term using EduFin installments comes with complimentary tuition protection!" This lets them see value at no cost, possibly converting to paid in future. - Provide educative content: explain real scenarios (anonymized) where insurance saved a family from losing their education investment. Emotional storytelling can drive home its importance. - Price it reasonably. Families won't pay a lot unless required. But a small add-on (like 1-2% of fees) is palatable if they understand the benefit. - Possibly collaborate with schools to include insurance as part of the fee structure (some schools might mandate accident insurance; we can power that in the backend, automatically enrolling students and just including the premium in the fee breakdown).

Regulatory Aspect: Selling insurance might require an agent/broker license, but if we partner with an insurer, we can likely operate as an authorized agent. The regulators would welcome that we are mitigating risk for consumers. It shows we're addressing defaults and consumer protection in a proactive way, which makes our overall embedded finance model more regulator-friendly. (In fact, Flywire in the US integrating GradGuard was seen as a move to improve transparency and protection in higher ed payments [29]).

Case Example: The recent partnership between Flywire (an education payment platform) and GradGuard integrated tuition insurance into university fee payment checkout, giving families a voluntary opt-in within the payment flow [29]. It was driven by demand from institutions to safeguard students' financial commitments and is expected to **reduce withdrawal-related losses and improve completion rates** [28]. This closely mirrors what we propose: at the moment a parent is handling finances, offer protection. Seeing a global player validate this approach reinforces that it's a worthwhile component.

In Vietnam, while tuition insurance isn't yet common, the concept of education insurance exists mostly in the form of life insurance savings plans for future education (sold by insurers like Prudential, etc.). Our approach is more immediate and transactional. It might be new, so part of the pilot could include gauging parent interest in this. If data shows low uptake, we adjust the offering (maybe it's about how it's messaged).

Impact on Metrics: Insurance doesn't directly drive adoption of the core product, but it **removes obstacles to adoption**. A parent on the fence about an installment ("what if I lose my job? I could owe money and not afford it") can be swayed if we say "we have you covered if anything major happens." So indirectly it can boost conversion of BNPL users and give schools confidence to promote financing. It also is a revenue diversifier for unit economics (earning commissions with virtually no capital tied up).

In summary, **embedding insurance bundles** is a strategic add-on to build a moat of trust and safety around our offerings. It ranks lower in immediate priority (we'd pilot it after getting the core payment functions running), but designing it from the start is beneficial. Done right, it answers the question: *"Is this financing safe for me and my child?"* with a yes – which could be the difference between a parent adopting our solution or not.

Full-Funnel User Experience & Adoption Considerations

To succeed, all these products must work together in a **cohesive user journey** that minimizes friction and maximizes trust. Let's outline the end-to-end funnel from awareness to usage, highlighting UX flows and how we address potential adoption killers:

- **Awareness & School Onboarding:** Initially, parents will learn about these options through their school or platform. Our go-to-market (next section) involves partnering with schools/edtech, which then communicate to parents: e.g., an email/announcement "We have introduced a new Flexible Payment Plan and EduWallet for our school fees." It's crucial at this stage to use the **school's credibility** to reassure parents. Marketing language should be simple and positive (avoid too-financial jargon). Emphasize benefits ("No more burden of lump-sum fees, pay easily over time!") and **reassure on safety** ("developed by a trusted fintech, in partnership with [School]; fully compliant with regulations").

- **Onboarding & Enrollment:** When a parent goes to pay or sign up, we present the new options clearly. If it's their first time, there might be a quick onboarding to capture any regulatory requirements:

- KYC: Verify identity with minimal steps. In Vietnam, eKYC can be done by having them snap a photo of their ID and a selfie. Since these are parents of enrolled students, they are unlikely to be completely unknown – the school may have their ID on file already. We could potentially leverage the school verification (e.g., if they're in the school database, that serves as a trust factor). Nonetheless, since we're dealing with financial services, we do need explicit KYC per SBV guidelines. We'll integrate a reputed eKYC service so this step takes maybe 1-2 minutes at most. Only required once.
- Terms & Conditions: We present the user agreement (covering wallet use, loan terms if applicable, etc.) in a digestible summary with the ability to read full text. We ensure this includes all disclosures mandated (fees, APR if any, how data is used, etc.). One adoption killer is **fine-print surprises** – we

avoid that by making terms visible and clear. For instance, if an installment has a late fee, state it upfront in plain language.

- Setup: The parent sets up their preferred payment method (link bank or card or wallet) for future auto-debits. This is part of onboarding to avoid friction later.

- **Utilization (Transactions):** Now the parent is ready to use:

- If paying tuition with installments, we walked through that UX earlier (one-click plan selection, instant approval). Key is that from a UX perspective, **the financing option is not a redirect to a different app or a complicated form** – it's embedded in the same flow. Redirects or asking users to download another app would severely hurt conversion. Thanks to APIs and SDKs, we can have it all inside the school's app/portal.
- If using the wallet for a payment, it should be as easy as any e-wallet: select "Pay with EduWallet" and if the balance covers it, instant confirmation; if not, prompt to top-up right there without leaving the flow.
- For insurance, as discussed, a simple yes/no tick at checkout with perhaps a tooltip for details is best. If they opt in, the premium is just added to the amount due (or to the installment schedule).
- **Speed:** All operations must be fast. If an approval takes more than, say, 30 seconds, users might drop. We will pre-evaluate credit eligibility where possible. For example, we could pre-screen all families of a partner school using basic criteria and have a pre-approved limit ready in the system. Then the UI could even say "You are pre-approved to pay in installments up to VND X".
- **Transparency in UI:** At every point where money is involved, show a breakdown. E.g., "Plan selected: pay 2,500,000₫ x 4 months = 10,000,000₫ total. (0₫ interest, 0₫ fees)". If interest or fee applies, list it out ("Interest: 100,000₫, included in installments"). This visual transparency builds trust.

- **Language & Support:** The app will be in Vietnamese (with option for English for int'l school users). We will include FAQs and possibly a hotline/chat support accessible within the app. If a user is hesitant or confused, easy access to customer service can save the conversion. E.g., a chat icon "Questions? Chat with our finance assistant" – staffed by our team or a chatbot for common queries ("Is there a penalty for early payoff?" etc.).

- **Ongoing Engagement:** Once a parent uses any product, we keep them engaged:

- Send **friendly reminders** for upcoming payments (as notifications or emails) – emphasizing we're helping them remember, not dunning them. Tone is like "Just a reminder: your next school fee installment of 2,500,000₫ is due in 3 days. It will be auto-charged to your bank on file. Please ensure sufficient balance. Thank you!".
- **Education and financial literacy:** To further build trust, we might periodically send content about managing finances for education, how to budget, etc. Not too spammy, but value-add. This positions us as a partner in their financial journey, not just a collector.
- **Feedback loops:** After a successful payment or at term end, prompt for feedback: "How was your experience with our payment plan?" If someone rates low, follow up to learn why (maybe they found the app confusing, or had an issue linking their bank). This will help us improve UX continuously.

- **Cross-sell carefully:** If a parent only used the wallet to pay in full, we might later show "Need more flexibility? Next time, try our 3-month installment option – at 0% interest!" Conversely, if they used

BNPL, we might introduce the wallet: “Next semester, consider loading money in EduWallet – get 1% cashback on every payment.”

- **Trust & Defaults Handling:** In terms of user experience, how we handle things when they go wrong is crucial:

- If a payment fails, the message should be polite and solution-oriented: e.g., “Your payment attempt didn’t go through, maybe due to insufficient funds. Please click here to retry or change payment method. If you need assistance or an extension, contact us.” This is far better than a threatening tone. Even when late, we might say “We understand things happen. We can extend your due date by 7 days – interest-free – to give you time. Let us know if you need help.” Such gestures can turn a potentially negative experience into loyalty (the parent feels we are humane and on their side).
- If a user decides to cancel or not use the service, we don’t lock them in. They can always opt to pay in full next time or withdraw wallet balance, etc. Flexibility here ensures they don’t feel trapped, which is important for word-of-mouth. **Honesty and customer-centric policies** (like no big penalties for early loan repayment, easy refund of wallet money on request) will set us apart in an industry that sometimes has a bad rap.

Addressing Adoption Killers Explicitly: Let’s list the common pitfalls and how we counter them: - *Complex UX / Lengthy process:* We’ve streamlined everything to be as integrated and quick as possible. Most users should complete a financing plan selection in under 2-3 minutes. We leverage data to pre-fill forms and pre-approve where possible. - *Lack of trust in provider:* We piggyback on school trust (co-branding), we highlight partnerships (e.g., “Powered by XYZ Bank” or “Insured by ABC Insurance” for credibility), and ensure compliance with any disclosure norms so nothing feels shady. Testimonials or case studies can be shared (“Over 500 parents at schools like [Partner School] have used these plans successfully – 95% would recommend to others” – we can gather such stats post-pilot to use in marketing). - *Fear of debt or hidden costs:* We emphasize the **optionality** and that it’s meant to help, not push people into something. Marketing will avoid aggressive tones. By providing insurance and lenient terms (like ability to cancel a plan early or make extra payments), we reduce fear. Transparency in showing “no hidden fees” label, etc., repeatedly is important. If interest is charged, we show the absolute amount it adds (some people don’t grasp percents well – showing the dong amount makes it concrete and usually they realize it’s not huge). - *Privacy concerns:* We will have a privacy policy clearly stating we don’t misuse their data – no selling data to third parties, etc. Only use for service and improving offers. Given high-profile data leaks in fintech can spook users, we invest in security (as mentioned) and can mention certifications or security practices in our communications (“Your data is encrypted and protected. We comply with data protection laws.”). - *Regulatory changes:* If mid-journey the State Bank issues guidance (say they announce BNPL providers must register or cap interest), we will promptly communicate any necessary changes to users in a transparent way. For example, if a cap on late fees comes, we’ll proactively adjust and inform users “Good news: late fees are now capped at X by regulation, we have updated our terms to reflect this.” This shows we’re on top of compliance and on the side of customer benefit.

By carefully crafting the funnel and user experience as above, we aim to maximize adoption and satisfaction. A positive customer journey will lead to **word-of-mouth referrals**, which in tight-knit school communities can be extremely powerful. One parent having a great experience paying in installments and telling others in the PTA meeting will encourage more to try. Since success relies not just on offering these products but getting people to use them, UX and trust are as important as the financial engineering.

Next, we will discuss how to go to market through partnerships and then dive into the financial viability (unit economics) and pilot execution plan.

Go-to-Market Strategy & Partnership Models

Launching embedded finance in education requires a careful **go-to-market (GTM) approach** that builds credibility and achieves scale efficiently. Our strategy focuses on **partnership-driven growth**, given that direct acquisition of individual parents would be costly and slow. Key components of GTM in Vietnam:

1. Partner with Schools and EdTech Platforms (B2B2C): We will target both physical educational institutions (schools, universities, training centers) and digital education platforms (online course marketplaces, tutoring apps) to embed our solutions. These partners serve as the channel to reach parents/students.

- **Value proposition to partners:** We offer them a turnkey fintech solution that can increase their enrollment and revenue. For schools, our installment plans can bring in students who might otherwise drop off due to financial constraints, and wallets streamline their operations (less admin on fee collection, aligning with government's cashless push). For edtech apps, offering financing at checkout can boost conversion rates on course sales (just as BNPL boosts conversion in e-commerce [30] [31]). Additionally, by being early adopters, the partners can market themselves as more accessible ("We offer easy payment options!"), gaining an edge over competitors. We can share case studies: e.g., "School A saw a 15% increase in enrollment after introducing EduFinance installments" (we'll develop such data in pilot). We basically position it as a **free (or low-cost) enhancement** to their core service – we handle the heavy lifting.

- **Integration models:**

- For tech-savvy partners (like an edtech app), we provide APIs/SDKs to integrate our checkout options natively. We might also provide a white-label web module for smaller schools with less IT capacity (e.g., a secure link where parents of that school can sign up for financing, branded with school logo).
- For schools with no existing digital portal, we could even offer a simple portal as part of our service (e.g., a web dashboard for school admins and a link for parents). This can be a selling point for many K-12 schools in Vietnam that are still digitizing. It's like giving them a free billing system with embedded finance.
- We ensure integration is flexible: e.g., some schools might want to start with just the tuition installment feature and not the full wallet – we can modularize that. Or vice versa.

- **Partnership terms:** We have a few approaches:

- **Revenue Share:** We could share a portion of revenue (from interest or commissions) with the partner to incentivize them. However, many schools might prefer that we instead keep prices low for parents rather than seeking a cut. Alternatively, some private institutions might be open to an affiliate incentive ("for each student who uses the plan, school gets X VND"), but that might create conflict of interest.
- More palatable is a **cost-sharing or subsidy**: For example, if we run a 0% interest promotion, ask the school to absorb a small percent of fee as a subsidy (like our earlier merchant fee concept). Many top

schools already partner with banks for 0% credit card installments [32] ; we can present our solution as similar but available to more parents (not just those with certain cards).

- **Free Pilot:** Initially, we likely won't charge partners anything. If our model relies on interest/fees from parents or subsidies, that's fine – but we won't add platform fees for the school in pilot. Once we prove value (e.g., improved enrollment or collections), we could introduce a SaaS-like fee for the wallet system maintenance or a small transaction fee to schools for using our service (some might accept if it saves them effort, like how payment gateways charge a fee).

- **Exclusivity and referrals:** We might ask pilot partners for a case study and referrals in exchange for favorable terms. For instance, if we succeed in one large school, we leverage that success to sign others ("We did X at School A, we can do the same for you"). Vietnam's education community can be tight; we could present at principals' meetings or edtech conferences with those success stories.

- **Regulatory/approval from authorities:** While we don't have existing constraints, getting buy-in from local education authorities can smooth adoption in public schools or at scale. We might approach the Department of Education in HCMC/Hanoi with our concept as supporting the government's cashless schools initiative [24] . If we secure a note of support or permission, it can help bring public schools on board later (though our initial focus might be private sector where decisions are quicker).

2. Strategic Financial Partnerships: Since we handle finance, we should partner with financial institutions for funding, risk sharing, and compliance:

- **Bank or Finance Company (for lending):** To launch BNPL/installments, we can either lend off our own balance sheet or involve a bank. Partnering with a bank like CIMB or a local consumer finance firm (FE Credit, etc.) can provide the loan funding and license. Indeed, Fundiin partnered with CIMB for BNPL in Vietnam [33] . We can structure as: the bank underwrites and funds the installment loans, we provide the tech and customer interface, and we split the interest or fees. The benefit is we don't need a lending license ourselves and can scale volume faster with bank capital. The bank benefits by accessing a new customer segment (young families) in a low-cost way, and can cross-sell them accounts or credit cards down the line perhaps. We must ensure the partnership allows a smooth UX (the parent ideally shouldn't have to separately deal with the bank). Possibly we operate under a **loan agent** model where all paperwork is digital and we act on the bank's behalf.
- An alternate model is to start by self-funding a small portfolio for pilot (if regulations allow, or under a P2P lending sandbox maybe) and then, once metrics are proven, use that to convince a bank to extend a credit line or purchase the receivables. Given risk management importance, having a regulated partner from the start might be wiser to reassure all stakeholders.

- We will also engage with e-wallet companies (MoMo, ZaloPay) – not just for wallet features but because they themselves are launching BNPL. Perhaps a **white-label or co-branded partnership**: e.g., MoMo PayLater integrated in our platform with special terms for education. However, that could complicate branding; better to control our product but you could imagine MoMo being interested in use-cases like education where they provide the credit and we provide the user base.

- **Insurance Partner:** As discussed, we'd tie up with one or two insurance companies. We'd negotiate a master policy for tuition insurance, etc., that we can offer. They handle risk and claims; we handle sales and maybe first-line support. Big players in Vietnam like Bao Viet, Bao Minh, or international

insurers (Chubb, etc.) might be candidates. We'll select based on who is open to an edtech-focused product and can integrate via API for instant policy issuance.

- **Technology vendors:** To accelerate development, we might partner with fintech solution providers. For example, a company that provides white-label wallet platforms or BNPL engines. This can cut down build time (since the user wants a strategy ready to pilot in 90 days, using proven tech could be key). One option is to partner with existing **payment gateways** (e.g., VNPAY or NganLuong) to piggyback on their connections for payments and perhaps their wallet license.

3. Marketing & Adoption Tactics:

- **In-school promotions:** Once integrated, encourage schools to promote the new facility during key periods like enrollment season. Provide them with flyers, WhatsApp message templates, or PTA meeting slides explaining the benefits. Possibly have on-site reps (for physical schools) during fee collection days to assist parents in signing up the first time. A human touch at the start can convert skeptics.
- **Referral programs:** Leverage parent word-of-mouth by offering referral incentives. For example, if a parent refers another parent (at the same or another partner school) to use the installment plan, both get a small bonus (maybe a discount on one installment, or a shopping voucher). This can spur organic growth especially among communities.
- **Digital marketing via partners:** Edtech platforms can promote to their user base via email, in-app banners: "New: Pay later with 0% interest – try now!" We'll supply the copy and creatives, partner just pushes it out. We might also do joint PR – e.g., a press release: "ABC School teams up with EduFinTech to offer 0% tuition installment plans" which could get media coverage and raise awareness broadly.
- **Focus on Vietnam (initially):** The question was which country to focus on – and we chose Vietnam. So our GTM is localized to Vietnam's context (language, currency, local partners). Within Vietnam, we might prioritize major urban areas (HCMC, Hanoi) initially where ability to pay is higher and schools are more progressive with new solutions. Once proven, expanding to secondary cities (Da Nang, Can Tho etc.) is viable, aligning with the observation that fintech is expanding beyond metros [34].
- **Regulator engagement:** Although not a direct marketing tactic, it's wise to keep regulators in the loop. We can proactively brief the State Bank's fintech department on our pilot, emphasizing how it increases financial inclusion for education in a responsible way (mentioning features like insurance, disclosure, etc.). Perhaps even seek inclusion in any regulatory sandbox or pilot program, which can shield us from any sudden clampdown and give credibility.

4.Scaling via Ecosystem Approach: In the long run, think ecosystem: For example, partner with education agencies or edtech aggregators. If there's a large education group that owns many schools, signing one MOU can onboard multiple schools. Also, we could partner with related service providers – e.g., an edtech platform for school management (SMS) or a fee management software (like TADS or similar in Vietnam). By integrating our finance module into an existing school management software that many schools use, we gain distribution at scale. Essentially, **embed the embedder**: if our solution is an API, plugging it into others who serve schools can multiply reach.

5.Branding and Trust Signals: We'll brand our solution in a way that is friendly and education-aligned. Perhaps give it a name like "EduPay" or "[SchoolName] Finance" (white-labeled for big partners). End consumers may not know our startup name and they might not need to – they see the school's name and

maybe “powered by XYZ” in small print. As adoption grows, we can build our own brand too (“the go-to provider for education financing in Vietnam”).

In summary, our GTM relies on **B2B2C partnerships**, leveraging existing relationships schools have with parents. By providing clear benefits and low friction to our partners (technical and commercial), we can embed quickly. Vietnam’s regulatory environment is manageable via partnerships (bank/insurance) and there’s a tailwind of digital transformation in schools we can ride on. Next, we examine the unit economics to ensure these models are sustainable, then outline the pilot plan and scaling criteria.

Unit Economics & Revenue Model Analysis

To ensure sustainable unit economics, we need to detail how each product makes money and incurs costs. Below is a **summary table of unit economics** for the key use cases in our strategy, followed by explanations:

Use Case	Typical Size	Revenue Sources	Costs	Unit Economics (Example)
Tuition Installments (BNPL)	~VND 10,000,000 loan (e.g. one semester fee)	- *Interest to parent*: ~10-15% APR (or) - *Merchant fee*: ~3-5% paid by school - Late fees (fixed small amount if delinquent)	- Cost of funds: ~8% APR (if bank financed) - Expected default loss: ~3% of principal [21] - Operating cost: ~1% (credit scoring, collections)	**Per loan of VND 10m**: Revenue ~VND 300k (if 0% to user & 3% from school) or up to VND 500-800k (if interest-bearing). Cost ~VND 300k (funding ~VND 200k for 6mo, losses ~VND 300k, ops ~VND 100k). **Net**: ~Break-even at 0% model; ~5% margin (VND 500k) if interest is charged.
Education Wallet & Card	VND 5,000,000 annual throughput (e.g. fees, meals) per user	- Transaction fees/commission on payments (0-1% from school or merchants) - Interchange on card spends (~1% of spend) - Float interest from balances (if user holds avg balance)	- Payment processing costs (~0.5% or fixed fee per txn) - Customer support and tech maintenance - Card issuance cost (~VND 50k one-time if physical)	**Per user annually**: Revenue ~VND 50k (assuming 1% on VND 5m volume via merchants and some interchange) Cost ~VND 25k (processing, support) **Net**: ~VND 25k (~0.5% of volume). *Main value is in retention and cross-sell.*

Use Case	Typical Size	Revenue Sources	Costs	Unit Economics (Example)
Insurance Bundles	~VND 200,000 premium (e.g. on a VND 10m tuition, 2% rate)	- Commission from insurer (e.g. 20% of premium = VND 40k)	- Distribution cost (minor marketing overhead) - Claims support (minimal, insurer pays claims)	**Per policy**: Revenue ~VND 40k Cost ~VND 5-10k (admin) **Net**: ~VND 30k (15% of premium). *Plus indirect risk reduction on loans.*

Table: Unit economics estimates for core products per user/transaction. (VND = Vietnamese Dong). These illustrative figures show that **tuition financing can be viable with careful risk management**, wallet is a low-margin/high-volume play, and insurance offers modest commissions but high value-add.

Let's interpret these economics:

- **Tuition Installments:** The profitability hinges on whether we charge the parent interest or get a subsidy from the school (or a mix). In a **0% interest, merchant fee model** (like many BNPL), our direct revenue per loan might be around 3% of the amount (e.g. VND 300k on 10m). If defaults are ~3%, that basically uses up that 3% revenue (assuming we recover nothing from defaulters, though in reality we might recover some later or via collateral like exam certificates, but let's be conservative). Funding cost if we partner with a bank might be around 8% annual; on a 6-month average outstanding ~5m, that's ~VND 200k. That plus operational costs can make the **0% model close to break-even or slightly negative**. This is why many BNPLs rely on scale and low default to eventually profit, or they charge late fees to help cover losses. If our default comes in lower than expected (say 1-2% because we target a good segment and have insurance to cover some cases), the economics improve.

If we can charge even a small interest to parents, or fees for longer plans, those become margin. For instance, a 12% APR on a 10m loan over 6 months yields roughly VND 600k in interest. If we took that route instead of merchant fee, we'd cover costs and have about 1-2% net margin. Perhaps a middle ground: we might do 0% for 3-month plans and charge interest for 6 or 12-month plans. Many BNPL in emerging markets start interest-free for short tenor and then introduce interest for longer or higher amounts. We will gauge tolerance: given regulators watch high interest, we'd keep APR reasonable and below credit card rates (which are ~25-30% APR typically).

Also, note that the **unit economics improve with repeat usage**: acquiring a customer the first time has costs (marketing, etc.), but subsequent use of installments by the same parent is cheaper to serve (we already have their KYC, their risk profile known). If the same parent takes 3 loans a year, the profit can be considered over that lifetime. Our strategy's cross-sell (wallet, etc.) is meant to retain them for multiple cycles, improving lifetime value (LTV). If initial pilots break even but prove demand, over time we can optimize pricing or reduce cost of capital (maybe securitize receivables at lower rates) to get positive margins.

Another angle: by adding **insurance**, we might reduce net credit losses (some defaults due to legitimate hardship could be covered). That effectively improves BNPL economics by maybe 0.5-1% (depending how many default events are insured).

- **Education Wallet:** As shown, the wallet itself won't be a huge money-maker per user, especially if we keep fees low to drive adoption. If we don't charge schools a fee for tuition payments (likely initially we won't, to encourage using it), our only revenue might be interchange on any external card use or commissions if we integrate merchants (like an edtech marketplace selling courses might give us 1% of sales via our wallet). Earning 0.5-1% of throughput is realistic. So maybe VND 25-50k per user annually. This is fine because the wallet's strategic value is retention and data. If we have tens of thousands of users, that can cover its operational costs. There's potential to bump revenue: for example, if at scale, we introduce a **premium account** concept (maybe a subscription that gives extra benefits like higher cashback or higher insurance coverage) – but that's later.

The wallet program should aim to at least pay for itself. Payment processing cost is significant (e.g., if a parent tops up via card, we might pay 1-2% fee to the card network). We'd encourage cost-efficient top-ups like direct bank transfer (which in Vietnam can be cheap via NAPAS) or linking a bank account for ACH debits. Possibly partner with a bank so transfers into the wallet from that bank are free. We could also save costs by using QR codes or direct debit mandates.

One plus: if a lot of money flows through our wallet, we might not take a cut from tuition, but we could negotiate with utility providers or content providers to integrate and pay us commission. For instance, if our wallet gets used to pay for an online course on a third-party platform, we get a cut. Or we allow parents to pay other education-related bills (exam fees, study abroad application fees, etc.) through our app for convenience, adding a small fee. These are expansion paths to monetize the user base once we have it.

- **Insurance:** The commissions, ~15-20% of premium, are nice because there's **no capital risk or large cost**. If 30% of our installment users opt for tuition insurance at 2% premium, that adds 0.6% of loan amount in commission to our revenue – effectively offsetting some risk cost. Plus, insurance could be sold even to those not on installments (e.g., a parent paying in full might still buy accident insurance). So it's incremental revenue with minimal expense beyond integrating with the insurer and maybe some marketing.

The intangible benefit is that insurance reduces bad debt and increases willingness to use our other products, which is not directly in the table but is valuable. For example, if insurance prevents a default that would cost us 10m, that's effectively a 10m swing due to maybe a 200k premium policy – huge ROI on that policy from our perspective (though insurer pays the 10m, our commission is small but we avoided loss).

Overall Profitability Path: Early on, we might operate at thin margins or even slight loss on BNPL to gain market share (as many fintechs do). The key is to keep unit economics **unit-economically positive or at least neutral** so that scaling doesn't increase losses. We have multiple levers: - Lower default through good underwriting and insurance. - Lower cost of capital via bank partnerships or eventually a credit fund. - Increase revenue via smart pricing (charging for longer terms, modest fees). - Increase volume per customer (cross-sell more uses, like encourage them to finance not just tuition but laptops or other education expenses, if we expand product scope). - Spread fixed costs over more transactions (our platform cost, dev cost, etc., which we haven't put in per-unit but matters for overall profit).

By pilot's end, we'd like to demonstrate that for every VND 100 lent, we can generate roughly VND 105-110 in repayments+fees (i.e., a 5-10% gross yield), against losses of maybe 3-5% and cost of funds ~4%, leaving a small net. That net improves as we tweak things. If net is negative, we adjust (either need to charge more or improve collections).

It's also useful to mention **scale economies**: The wallet and tech platform have high fixed costs but low marginal costs. So unit cost per user drops significantly as we go from, say, 1,000 users to 100,000 users. That means profitability could hockey-stick once we scale sufficiently, which is typical in fintech.

Lastly, **lifetime value vs. acquisition cost**: Through partners, we keep acquisition cost low (the school brings users essentially for free or a small integration cost). So even if per user profit in year 1 is small, the LTV over, say, the child's schooling years (or siblings, etc.) could be substantial. A family might use our services for 10+ years from primary through high school, and maybe even refer others. Ensuring satisfaction is key to unlock that LTV.

Pilot Design: 90-Day Plan

To validate our strategy, we will run a 90-day pilot program, structured to test key assumptions and pave the way from pilot to scale. The pilot will be limited in scope (to manage risk) but designed to gather maximum learning. Here's a **playbook for the first 90 days:**

Pilot Scope & Setup: We choose one or two partner institutions for the pilot – for example, a medium-sized private K-12 school in Ho Chi Minh City and an online tutoring platform. This gives us one traditional setting and one digital platform to test in parallel. We'll offer the core use cases: tuition installments and the edu-wallet (including maybe a basic insurance offer) to the parents of new or existing students at these partners.

- **Week 0-2: Pilot Preparation**
- **Finalize Partnership Agreements** – Secure MOUs with the pilot school and platform. Define roles: the school will promote the offering to parents and allow integration with their fee system; we will handle the financing and support. Also finalize the funding source (e.g., bank partner or our own funds reserved for pilot loans) and insurance partner if applicable.
- **Tech Integration** – Our team will integrate our system with the school's enrollment/fee collection system. If the school has none, we provide a simple parent payment portal. For the online platform, integrate our SDK for checkout. This includes setting up the UI for selecting installment plans, wallet top-up, etc., and testing end-to-end payment flows in a sandbox.
- **Testing** – Before inviting users, we simulate a few transactions (maybe with internal testers or school staff as dummy users) to ensure payments go through, installment schedules generate correctly, notifications work, etc. Iron out any bugs.

- **Staff Training** – Train the school's finance office and support staff on the new system so they can answer parent questions. Provide them with FAQ sheets. Do the same for the edtech platform's customer service team.

- **Week 3-4: Soft Launch (Beta)**

- **Limited Beta Invitations** – We quietly roll out to a small group first. For example, target one grade level at the school (say incoming 10th graders who need to pay semester 1 fees now), or 50 randomly selected parents, or a segment like those who inquired about fee assistance. On the edtech platform, maybe show the option to 10% of users. The goal is to get initial users in a controlled way.
- **Monitor Closely** – With a small cohort, we can manually observe each application. Ensure approvals are correctly decided by our risk engine. Watch for any UX confusion – e.g., do users get stuck on KYC? Do they abandon at a certain step? Our team should be ready to call or assist these early users if needed.
- **Feedback Loop** – After they go through the process, we reach out (call or survey) to ask about their experience. "Was anything unclear? How was the sign-up?". This qualitative feedback in week 3-4 is gold for tweaking UX or messaging. If, say, multiple parents say "I wasn't sure if the school endorsed this or if it was a scam email", we know to adjust communication (maybe have the principal send the announcement or mention it in a meeting).

- **Initial Metrics Checkpoint** – By end of week 4, we anticipate maybe a dozen or two successful transactions in the pilot. We examine: approval rate (are a lot of people getting rejected by our credit rules? If yes, is it too strict?), take-up rate (out of those offered, what % chose to try installments?), any delinquency on the first payments (likely not yet, since first installment is immediate). If take-up is very low, find out why (no interest? technical issues? lack of awareness? we might do a quick phone poll of those who didn't use it). Adjust strategy accordingly (maybe increase awareness or tweak offer – e.g., if we started with charging interest and that scared people, consider a limited 0% promo to encourage trial).

- **Week 5-8: Full Launch to Pilot Audience**

- **Scale to All Target Users at Partner** – Now we open the offering to all intended users at the pilot partners. The school sends out official communications to all relevant parents (those due to pay fees this quarter). The edtech platform enables the feature for all Vietnam users buying a course above a certain price, for instance.
- **Marketing Push** – During these weeks, we implement marketing tactics: informational sessions (a webinar or in-person Q&A for school parents), push notifications or emails on the edtech platform highlighting "New: Pay in installments – helping hundreds of families already!". Perhaps include a **limited-time incentive** to prompt action – e.g., "Pilot special: 0% fee for first 3 months for first 100 sign-ups" or "Get VND 200k cashback in your EduWallet on your first use." This creates urgency and rewards early adopters.
- **Operational Monitoring** – We need to keep a handle on operations as volume grows. Our support channels should be staffed to answer queries (common ones: "How do I sign up?", "I made a payment but it's not showing", etc.). Since it's pilot, our team can handle support personally to learn the ropes, but we ensure quick responses to maintain trust.
- **Data Collection** – We log detailed data on usage: conversion funnel drop-offs, average plan amounts, chosen tenors, etc. Also track **behavioral data**: how many log into wallet, do any top up extra money, etc.

- **Mid-Pilot Review** (around Day 60) – At end of Week 8 (about 60 days in), we evaluate progress versus our hypotheses:

    - Adoption rate: e.g., "X% of the school's parents opted for installment or wallet". Suppose 50 out of 500 families used it – that's 10% adoption in first cycle. Is that in line with expectation? (Might be lower initially until word spreads – we note any growth trend).
    - Customer feedback: Gather feedback from a broader set now. Are they happy? Any suggestions? (Maybe some want longer plans or complained the app was glitchy – fix if possible in remaining pilot time).
    - Delinquency: By day 60, some monthly installments are due. We see how many paid on time in month 1. If any missed, what's the reason? (Contact those users, understand and help). This is early indicator of credit performance.
    - Technical performance: Did everything work under larger load? If any downtime or errors occurred, address them.
    - Based on this review, make **pilot adjustments** for final stretch: e.g., change credit scoring if too many declines (maybe we were too conservative and realize many families are trustworthy – could loosen criteria slightly to allow more through, still within safe bounds). Or if we see low awareness, double down on communications in the final weeks (maybe have teachers remind parents in homeroom, etc.).

- **Week 9-12: Refinement and Transition**

- **Ensure Repayment Processes** – As we near 90 days, initial installment plans will be reaching their later payments. We concentrate on ensuring the **repayment UX is smooth**. Any auto-debit failures are retried, and users are reminded kindly. We essentially prove out the collections part now. If insurance was involved, perhaps (depending on coverage period) we might even encounter a claim situation – if so, handle it and see how insurer responds within pilot time.
- **Gather Success Stories** – Identify a few happy users. Perhaps a parent who says "This helped me a lot, I could enroll my son in an extra course thanks to installments." Get their permission to use their story (anonymously if needed) for future marketing. Likewise, gather partner feedback: does the school see fewer late payments? More enrollments? Quote the principal if possible: e.g. "We found the program very helpful for our families." These qualitative results are important for convincing more partners later.
- **Pilot Metrics Final Analysis (Day 90)** – We compile all the data:
    - Number of users who used each product (installment count, wallet users count, insurance policies sold).
    - Adoption rate (%) of the offered population.
    - **Default rate** in pilot (maybe measured as % of installment users missing a payment by 30 days). Ideally this is low (target <5%). If it's higher, we need to diagnose why and whether it's structural or a blip.
    - **Revenue metrics:** total financing volume, revenue earned (interest/fees), cost incurred (especially any losses). This is to calculate pilot unit economics. If it's negative, we forecast if that's due to one-time costs or will persist.
    - **NPS or satisfaction**: from surveys – are parents likely to recommend this to others? A high NPS would be a big green light.
    - **Impact on partner's business:** e.g., did the school convert some students who were previously hesitant due to fees? Maybe compare enrollment vs last year or compare fee

collection timeline (if more paid on time). It may be too short to fully tell, but any anecdotal evidence helps.

- **Debrief & Iteration Plan:** We meet with the pilot partners to share results and discuss continuation. If successful, they likely want to continue beyond pilot (with more students or next semester). We also note any features they want before scaling (e.g., school might say "Can you also add payment for uniforms in the wallet?").
- **Scale Strategy Blueprint:** By Day 90, we draft the playbook for rolling out to more partners using what we learned. Refine our GTM pitch using pilot data. For example, if adoption was 20% in 3 months at the pilot school, we can project how that might grow in 6 months or at a larger school. This blueprint will include any product tweaks needed (maybe we discovered everyone wants a 6-month plan, so we focus there; or that insurance uptake was low because parents didn't understand it, so we improve the explanation next time).

Contingencies during pilot: - If something's not working (e.g., very low take-up even after communications), we might introduce additional incentives or even direct assistance to parents (set up a help desk at school during fee week to sign people up in person). - If default or fraud spikes unexpectedly, we might pause new sign-ups and tighten rules, focusing on collections of existing ones to contain losses. - Given pilot is short, we likely won't change core platform mid-pilot unless a critical bug – most adjustments will be process or policy, not rewriting code (except minor UX tweaks or quick fixes). - We also maintain a close relationship with the bank/financier and insurer in this period, so they are aware of volumes and any issues, ensuring no surprises to them.

The 90-day pilot is about proving three things: **adoption, user satisfaction, and credit performance**. By its end, we should have evidence that parents will use the service (and love it), that schools benefit, and that money can be lent and recovered at acceptable rates. With that, we move to scale.

Scale-Up Plan & "Go/Stop" Criteria

At the conclusion of the pilot, we will decide whether to scale up or pivot/stop, based on clear criteria. Assuming pilot metrics are encouraging, we then execute our scale plan, which involves expanding to more institutions and possibly broadening product offerings, while keeping an eye on unit economics. Here are the **Scale vs Stop criteria** and next steps:

Scale "Go" Criteria (Green Light): We will proceed to scale rollout if the pilot demonstrates the following:

- **Adoption Threshold:** At least ~20% of the target user base in the pilot utilized one or more of the embedded finance products, **or** there is a clear upward adoption trend (e.g., started at 5% in first month and grew to 15% by third month, indicating momentum). This proves substantial interest. *Rationale:* We don't need majority adoption immediately, but we need enough usage to show that the concept resonates with a significant minority and can grow with more familiarity. For context, even single-digit percentages in a first introduction can be promising, but below 5% with heavy promotion would be concerning.

- **Positive User Feedback:** Qualitative and quantitative satisfaction metrics should be positive. Ideally an **NPS (Net Promoter Score)** above, say, +30 or at least a majority saying they'd use it again. Specifically, no major unresolved complaints. If out of pilot users, a large portion say it was helpful

and they'd recommend to friends, that's a green light. *Rationale:* Happy users mean viral growth and willingness to continue usage, which is essential for scale.

- **Manageable Default/Delinquency Rate:** The pilot should show that default rates are within expected range (for example, **<5% of total financed amount** going 30+ days past due). And no systemic fraud issues emerged (no signs of many users trying to game the system). If we had, say, zero defaults in 90 days (possible if timing short), that's great but we'll still project based on data. If defaults were a bit high, but reasons identified (e.g., a cluster of defaults due to a known issue, or maybe we approved some risky cases early on), we should have a plan to mitigate. *Rationale:* If credit risk is too high, scaling would just scale losses, which is not acceptable. We need evidence that our risk model, combined with insurance safety nets, is effective.

- **Unit Economics trending to positive:** While we may not expect full profitability in 3 months, we should see that per-transaction economics are improving or at least break-even. For instance, if each VNĐ100 lent yielded VNĐ102 back after costs in pilot, that's a slight profit – good sign. Or if it was 100 in, 100 out (breakeven), but we see obvious optimizations to tip it positive (like lots of unused capacity to charge a small fee later), that's okay. What we don't want is 100 in, 90 out with no idea how to plug that 10% loss at scale. *Rationale:* Scaling a losing proposition would just amplify losses; we need line of sight to profitability.

- **Partner Buy-In:** The pilot partners should be happy and ideally willing to continue and even refer us. If the school says "this was great, we want to do it for next term and we've told other principals about it," that's a very positive signal. Essentially, **no show-stoppers from the partner side** (like they found it too burdensome or had backlash from parents). *Rationale:* We rely on partner networks – if first partners are enthusiastic, scaling to others becomes much easier through endorsements.

If these criteria are met, we confidently hit the gas on scaling.

Stop/Pause (Red Flag) Criteria: We will consider pausing or significantly pivoting (if not outright stopping) if we observe:

- **Very Low Adoption:** e.g., <5% uptake even after significant awareness efforts. If parents en masse ignore the offering, maybe the product-market fit isn't there (perhaps Vietnamese parents either don't need it as much as assumed, or don't trust it enough yet). We'd need to investigate why – it could be fixable (messaging issue) or fundamental (no demand). If it's fundamental lack of demand, continuing would be futile – better to pivot to a different approach or market.

- **Severe Trust/Reputation Issues:** If the pilot triggered significant negative feedback – e.g., parents complaining to the school that we are encouraging debt, or some PR issue arises (maybe a media article mischaracterizing it as predatory), that's a red flag. Schools will get cold feet if they sense backlash. We might pause to re-strategize messaging or product structure to address the concerns before scaling.

- **High Defaults or Fraud:** If by the end of pilot we already see, say, >10% defaults or a fraud incident (e.g., someone took a loan with fake credentials despite checks), this is an alarm. It could mean our risk controls are inadequate or the model is not sustainable for a broader population. We'd likely pause new lending and tighten the system, or narrow the customer criteria. If it seems unresolvable

(hopefully not likely), we might shelve the financing part and focus on something else (like just the wallet) until we crack the risk issue.

- **Unsustainable Unit Economics:** If each transaction is losing money in a way that can't easily be offset (for example, if merchant fee is too low but schools refuse any higher and users won't pay interest, then we have a structural profit issue), then scaling would burn cash. We'd either need to adjust the business model (maybe find alternate revenue or cut cost) before scaling, or if no path, reconsider offering. It might not mean stop everything – maybe pivot to a different product that has better margins (for instance, if BNPL is the issue, perhaps focus on wallet plus partnering with banks for loans instead of carrying them ourselves).

- **Operational Breakdown:** If during pilot we struggled to manage operations (lots of tech failures, inability to handle support volume even at small scale), that signals we aren't operationally ready to scale. Not a stop forever, but a "pause and fix" before going bigger. We'd invest in scaling our tech or team first.

If red flags like the above appear, we wouldn't just abandon ship instantly; we'd likely iterate or pivot. For example, if adoption is low because of trust, maybe we pivot our approach (e.g., partner with a very trusted bank's brand upfront, or focus on a different wedge like a savings product first to build trust). Or if defaults are high in a certain segment, pivot to a safer segment (maybe focus on schools with wealthier families or require partial collateral). The decision tree would be: - If fixable with changes -> implement changes and possibly run another pilot iteration. - If fundamentally off (product not needed or not viable now) -> consider stopping that product line. Since the user asked for a path from pilot to scale, we assume success scenario is more likely, but it's good to be prepared.

Scale-Up Plan (if "Go"):

When green-lit, the next steps are: - **Geographic/Partner Expansion:** Use the playbook from pilot to onboard more schools and platforms. Possibly stagger by city or segment. For instance, target 5 more schools in H1 2026 (maybe including one large international school in HCMC, one chain of after-school centers, etc.), then 20 by end of year. Simultaneously expand with one or two edtech apps (could also integrate with a university's fee system or a college loan program). We will leverage any endorsements and refined ROI data to sell to these partners. Possibly host a seminar for school administrators showcasing pilot results to spark interest. - **Product Enhancements:** Scale phase will incorporate any learnings: maybe adding more installment duration options if requested, improving UI features, adding an OCR for invoice scanning, etc. Also likely launch the **insurance officially** if pilot only tested minimally. If pilot didn't include something like a student card, we might introduce that in the scale phase once wallet usage is up (pilot might have been too short to issue physical cards; scale we can start a card program with a bank). - **Team & Operations Scale:** We'd invest in scaling our team – more devs to integrate new partners quickly, more customer support agents (especially multilingual if targeting international schools). And scale our partnership team to sign and manage relationships with schools. Essentially, building a repeatable onboarding process. Also ensure our financing capacity scales – line up more capital if volume grows (e.g., negotiate a larger credit facility with the bank partner or onboard additional financing partners). - **Risk Management at Scale:** With more users, refine our credit model with data. Implement more automated risk checks if needed. We should also start reporting to Vietnam's credit bureau (CIC) if applicable, to contribute data and perhaps use their data for decisions – that will strengthen risk control and also discipline borrowers (knowing default may affect their record). - **Monitoring and Control:** Set up a robust

monitoring dashboard as we scale: track each school's portfolio performance, etc. This helps identify any pocket of trouble early (e.g., if at one partner defaults spike, maybe there's an issue with how that partner's vetting or with a local economic issue).

Scale Milestones & KPIs: We will set goals like: - Within 12 months of pilot, achieve X number of partner institutions, Y thousand users, Z VNĐ in financing volume, with portfolio performance metrics stable. - Breakeven financial performance by [date] on a monthly basis (assuming earlier phase might be investment-heavy). - Specific impact metrics like "increase partner enrollment by X%" to continue selling value.

We will also maintain our **"stop checks" even during scale:** e.g., if at any point defaults exceed a threshold or customer complaints surge, we momentarily pause growth to address it. This ensure controlled scaling, not growth-at-all-costs.

To conclude, the pilot-to-scale path is clear: if pilot proves the concept, we proceed thoughtfully but aggressively to roll it out wider, using the refined model and keeping an eye on the KPIs that matter (adoption, credit performance, unit economics). If pilot signals red flags, we either iterate the model or halt the expansion to avoid costly missteps. This disciplined approach maximizes our chances of building a **scalable, sustainable embedded finance program** that benefits Vietnam's education ecosystem.

Conclusion: By focusing on **tuition installment plans as the entry wedge**, supported by a convenient **edu-wallet/card system** and protective **insurance bundles**, we create an embedded finance ecosystem that aligns incentives for parents, schools, and our platform. The strategy shows a clear path from a tightly monitored pilot to broad scale: starting in Vietnam's digitally-ready education sector and potentially serving as a model for other emerging markets thereafter. Success will be measured not just in revenue, but in how we improve access to education (higher enrollment, reduced dropout for financial reasons) while managing risk and maintaining trust. With the above plan, we aim to achieve that success, delivering realistic economics and measurable social impact in the process [35] [13] .

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