**Assignment 1**

INFO8250-19F-Sec1-Mobile

Application Design

# Professor: Pustylnick, Igor

# September 27, 2019.

Prepared by:

Gaurav Goel – 8613507

Surbhi Gajjar – 8628363

Khushdeep Singh – 8469470

Amrit Kalsi – 8630937

**BITPAY**

**Android Mobile Application Business Idea**

1. **Intended Users.**

a. Target users of the application:

The target users largely depend on the category of application [1]. We have identified our application in the Finance category. Our application will facilitate the International Students to transfer funds to their home country. There are different sets of people carrying out international transactions for various purposes. We are specifically counting on the subset of International Students from the vast group. This narrow down to a very specific group of people would help us to stick close to the targeted results as it is evident that students would be our regular users as they carry out International Transfers every month. This result has been derived from our extensive market research.

*Surveys at College Campus and Feedback from prospective users in the selected segment:*

We have been conducting regular surveys at college campus level from the last three months to determine the number of students per every 100 who are looking for a better alternative to send funds overseas every month.

We figured out that out of every 100 International Students, almost close to 75-80 students are carrying out International Transfers every month to send the funds for their Education Loan.

Considering the 16,500[5] International Students intake for the last season Fall 2019, we are expecting 70% of these students to use our service or give it a try.

In the worst-case scenario, we are also taking into account the subscriber base to be as low as 30%. We can still at least have 5000 students approximately.

Initially, we are trying to keep it to only one college until we reach full working capabilities and are able to serve our customer base efficiently.

These user base can be expanded to the remaining 200 colleges in Ontario Region for the scaling up with an average user’s base of 3000 students at each college. This figure goes up to 600,000 international students for later stages. We expect a very high conversion ratio here due to the continuous and repeated needs of our service.

b. Demographic characteristics:

The Demographics that best describes our targeted users are as follows [4]:

Class of People – We are looking at Temporary Residents with study permit, Work permit, and Immigrants with Permanent Residence.

Age – We are targeting at the age group of 19-29 years old who are college and university students.

Gender – Male / Female / LGBTQ

Geographical Location – We are targeting at the Kitchener-Waterloo-Cambridge area of the Ontario Region, Canada for the DOON, WATERLOO and CAMBRIDGE campuses of Conestoga College.

Employment – International Students and Professionals working on International Work Permits.

Race or Ethnicity – Asian, North American. To target the students from South Asia.

c. Conditions under which the application will be used:

* When an International Student want to transfer funds for the Education Loan EMI Due every month.
* When any working professional on International Work Permit wants to send money to their home out of their salary.
* When any one from one country needs to transfer funds to their relatives, charities for International Non-Profit Organizations abroad.
* Institutions paying for expenses on handling and maintenance of offices overseas.

**2. Business Case for the development of Application.**

a. Business Purpose for the Application: Is it eCommerce, Social Media, a Game:

Our Application is classified in the Finance Category as a service for financial needs of foreign nationals. We are solving a major challenge most of the international students face while sending funds to their home country.

The present market scenario is troublesome as there are various sorts of fees associated with the transfers such as mark up fees, exchange conversion fees, processing fees. As a result of this, majority of users end up spending much more than the amount that they intended to transfer.

The users are not always sure about the exact amount unless and until the very end stage which depicts lack of transparency in the final exchange rate.

We are fixing this problem, by bringing 100% transparency to the user by showing the exact exchange rate from the beginning with no hidden fees. We would be picking the current exchange rate from [forex.com](http://www.forex.com) to be as fair as possible. This will save a lot of money to the users in terms of fees and charges.

The second problem is the time taken for the transfers. We are promising our customers to deliver the funds to the recipients within 60 minutes which will be the fastest from the current market status and keeping us in the lead. This facility would be served as a Lightning Fast Transfer for users who are in a situation of very urgent needs. There is a Normal Transfer facility for other users with no such urgency.

b. Revenue streams available for the Application:

* Arbitrage:

We would be leveraging the Crypto Platform for the transfer of funds from source to destination. So, there is always a way of purchasing one cryptocurrency and sending it over to destination and converting into another cryptocurrency. This would always yield us an arbitrage of 1-2% in the worst-case scenario. In best cases, it can be as high up to 5-10%.

How it works:

User deposits money to account. We Purchase crypto currency for the same worth of this amount.

We find out the potential trade which will gain us some sort of arbitrage. We purchase one cryptocurrency and send it to the exchange in the destination country. When it is converted at the destination country, we have already gained our revenue with the arbitrage. We split the profits and the amount of crypto worth the sending amount.

We then transfer the amount of money deposited by sender to the Recipients’ account in their selected Fiat Currency.

* Returns on the investments for short period usually 3-4 days:

This revenue stream is similar to Arbitrage. But here, we emphasis on taking the best trade for short term. Usually for 3-4 days entry and exit timeline with the potential highest returns. We do have the customers funds held with us for up to 96 hours which is huge opportunity to take as many trades and book profits.

* Service fees for Lightning Fast Transfer.

We are promoting our business in the initial days by only charging the customers with **flat 10$** nominal fee for the Lightning Fast Transfer service which is the USP of our business as we claim to be fastest among our competitors. We plan to gradually increase this fee with the increase in sales in near future as this is the prime feature of our application.

c. Estimated Revenue from finished App:

Based on the figures taken from International Conestoga College website, we have 16500[5] international students. As evaluated from the surveys that we have done at the campus with meeting the students in person and analysing the responses, we have figured out:

Every 7 out of 10 students needs to transfer funds internationally. The major reason for this transfer is the EMI to their Education Loan.

The amount of these funds typically ranges from 500 CAD to 1000 CAD.

These students are always on the look out for better prospects with an intention of savings on fees and charges and faster processing times.

If we take the prospective strength of 70% out of 16500 students,

The amount we would be moving would be 11500 students \* 750 CAD (average) = 8,625,000 CAD.

Hence, **8,625,000 CAD would be in sales** for the initial days. We can get better at these numbers with scaling up and targeting more colleges and students and other prospective users of our application.

For Revenues, we can consider the **10$ fixed charge for the 11500** transactions every month.

This can **guarantee a fixed minimum revenue of up to 115,000CAD every month.**

Apart from this fixed revenue, we do have our Arbitrage Income which is expected to be at least 1% of the total sales. **This amounts to 86,250 CAD per month**.

Expected Revenues can be up to **201,250 CAD per month.**

**NOTE: These revenues still does not include the incomes from the Trades that we are taking in case of funds retention for Normal Transfer scenarios.**

d. Estimate cost to develop and test:

We are still in the phase of including all the features that our application would have. We are planning to provide features like Investments for the customer. So as to be able to share our revenues with the customer and help them earn as well while transferring the money instead of the contrary of losing in terms of fees and charges.

**Note:** **We would be updating the list of features with added services in the upcoming Assignments.** **This Assignment contains the first draft of our idea. We are already in the working out feasibility tests for adding the above features.**

**Once we have finalised it, we would take a look into in the cost of development and testing the application.**

**References:**

1. How to Find the Target Audience for a Mobile App: Your Guide to Market Research by Yulia Rogoza, updated November 20, 2018.
2. <https://themindstudios.com/blog/how-to-find-target-audience-for-mobile-app/>
3. <https://smallbusiness.chron.com/demographic-characteristics-customer-profile-76467.html>
4. What Are Demographic Characteristics in a Customer Profile? by Jim Woodruff; Reviewed by Michelle Seidel, B.Sc., LL.B., MBA; Updated February 13, 2019.
5. [https://international.conestogac.on.ca](https://international.conestogac.on.ca/)

**3. Mock-ups of the application.**

 

 

 

 