

Referral Campaign - Assignment

Objective: The objective of this assignment is to assess your ability to develop and execute a referral marketing campaign for CashKaro. Your task is to create a comprehensive referral program strategy aimed at acquiring new users and encouraging existing users to refer others to the platform.

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1.CashKaro's Current Marketing Strategy, Target Audience, and Competitive Landscape:

1.A. Current Marketing Strategy: CashKaro's marketing strategy focuses on digital growth, affiliate partnerships, and user engagement through cashback and coupons. Key elements include:

- **Affiliate Marketing:** Partnering with leading e-commerce platforms (e.g., Amazon, Flipkart, Myntra) to offer cashback to users who make purchases through CashKaro.
- **Content Marketing:** Regular updates via blogs, newsletters, and social media posts with deal announcements, savings tips, and cash-saving strategies.
- **Performance Marketing:** CashKaro leverages digital ads (e.g., Google Ads, Facebook Ads) to drive app downloads and re-engagement.
- **Influencer Marketing:** Collaborations with influencers who promote deals and encourage referrals.
- **Referral Marketing:** CashKaro already has a referral mechanism in place, incentivizing users to bring in friends for mutual cashback benefits.
- **Push Notifications & Email Campaigns:** Targeted notifications to users based on their past shopping behavior, alerting them to deals and exclusive cashback offers.

1.B. Target Audience:

- **Demographics:** Primarily young, tech-savvy individuals aged 18-35 who are frequent online shoppers.
- **User Segments:**
 - **College Students:** Users who are always seeking ways to save, particularly during sales.
 - **Young Professionals:** Individuals with disposable income, making frequent purchases on platforms like Amazon, Flipkart, and Myntra.
 - **Budget-conscious Families:** Shoppers looking for cashback on household goods, groceries, and high-ticket items like electronics.
- **Geographical Focus:** Users from Tier 1 and Tier 2 cities in India, where online shopping and e-commerce activity are highest.
- **User Behavior:** Mobile-first users who rely on the app to browse deals, find coupons, and make purchases, often during sale periods and festivals.

1.C. Competitive Landscape: CashKaro operates in a highly competitive space with several players in the cashback, coupon, and deal segment. Key competitors include:

- **CouponDunia:** Offers a similar platform with cashback and coupons on a wide range of retailers.
- **EarnKaro:** A sister platform of CashKaro, but focuses more on enabling users to share deals and earn through affiliate marketing.
- **Magicpin:** Blends online and offline cashback offers, especially focusing on offline retail stores, which differentiates it from CashKaro.
- **Paytm:** Offers cashback as part of its digital wallet and payment platform, with a broader range of services including offline transactions.
- **LafaLafa:** Another coupon and cashback app with a significant presence in the Indian market, targeting the same customer base as CashKaro.

Competitive Advantage:

- Strong partnerships with major e-commerce players and a reliable cashback mechanism.
- A large user base of 25 million, providing credibility and a wide network of referrers.

Challenges:

- Facing stiff competition from payment platforms like Paytm and Amazon Pay, which offer broader services.
- Retaining users in a market where cashback offers are common and users have a wide variety of platforms to choose from.

2. a. Program Objective:

Goal: To increase CashKaro's user base by **3-4 million by FY25**, with a **4% user base** increase in Q1.

This translates to **1 million new users in Q1 driven** by the referral program.

CashKaro userbase is around 25 million and it's aim is to increase users 3-4 million by FY25 which is around 16% and we will increase 4% user base per quarter.

Specific Objectives:

- **Q1 Objective:** Achieve 1 million new users in Q1 through an aggressive referral marketing campaign, with referrals contributing at least **250,000 new users (25% of the total)**.
- Maintain a **15% referral-to-sign-up conversion rate**.
- Ensure that **60% of referred users** make at least one purchase within **30 days** to qualify for rewards, ensuring that the program drives active, not just passive, user acquisition.
- Generate a sustainable pipeline of referrals that scales up across the year, adding **3-4 million** users by **FY25**.

2.B. Target Audience

CashKaro’s referral program will target both urban and rural audiences, ensuring a balanced growth strategy that caters to different demographics across the country.

Primary Audience: Urban Users (Tier 1 & Tier 2 Cities)

1. **Age Group:** 18-45 years old.
2. **User Behavior:**
 - Tech-savvy, regular online shoppers.
 - Engage with cashback offers for both high-ticket items (electronics) and everyday needs (groceries, clothing).
 - Higher adoption of digital payments, wallets, and shopping apps.

Secondary Audience: Rural Youth (Tier 3 Cities, Towns, and Villages)

1. **Age Group:** 18-35 years old.
2. **User Behavior:**
 - Rapidly increasing digital literacy due to mobile penetration and affordable internet.
 - Growing interest in e-commerce platforms for daily essentials, apparel, and affordable electronics.
 - More inclined to use referrals that offer simple, tangible rewards on small everyday purchases.

Influencers for Targeting:

Urban Markets:

- Collaborate with social media influencers and tech bloggers to promote the referral program during peak festive shopping seasons like Diwali, Holi, and New Year.

Rural Markets:

- Partner with local influencers, regional YouTubers, and WhatsApp group leaders to spread the word in regional languages.
- Target community leaders and village opinion-makers to encourage referrals within close-knit groups.

The referral program will target both existing and new users:

Existing Users:

- Make users aware about referral campaign and distribute users according to their purchasing activity from high to low.
- Devise a plan for **dormant users** by targeting them through whatsapp, email and SMS to bring them back on app.
- Introduce gamification tools like Spin the Wheel, Scratch Cards etc for discounts to make users stay on app for longer duration.

New Users:

- Online shoppers who may not be aware of cashback opportunities or are using competitor platforms like CouponDunia or Magicpin.
- People with strong social networks who can be influencers within their communities, encouraging others to join.
- Focus on young professionals and students who are budget-conscious but shop online regularly.

2.c.Program Structure

A. Referral Program Design:

- **Festival-Centric Referrals:**
 - Launch campaigns centered around Diwali, Holi, New Year, and regional festivals like Pongal, Onam, and Durga Puja.
 - Offer ₹100 cashback for every successful referral.
 - Introduce a seasonal bonus for festive times, such as ₹150 cashback for referrals who spend over ₹500 within the first 30 days.
- **Incentive Tiers (for Urban Users):**
 - Bronze Tier: 1-5 referrals = ₹100 cashback/referral.
 - Silver Tier: 6-10 referrals = ₹150 cashback + bonus rewards.
 - Gold Tier: 10+ referrals = ₹200 cashback + a chance to win high-value prizes (e.g., smartphones, laptops).
- **Group Referral Bonuses (for Rural Users):**
 - Offer incentives for group referrals (e.g., refer 3-5 users and receive additional cashback).
 - Implement a Village Influencer Program: Encourage village influencers to bring in groups of users and reward them with special bonuses for high sign-up volumes.
- **State-Specific Promotions:**
 - For festivals specific to states like Durga Puja (West Bengal), Pongal (Tamil Nadu), and Onam (Kerala), offer targeted cashback rewards that resonate with local needs. For instance, offer cashback on groceries, traditional apparel, or household products.

B. Incentives & Rewards:

- **For Existing Users:** Higher cashback during festivals for those who make successful referrals.
- **For New Users:** Festival-themed sign-up bonuses and cashback offers on first purchases, especially on products relevant during the festive period.

2.d. Communication Plan:

Channels:

- **In-App Notifications:** Personalized push notifications to existing users encouraging them to refer friends.
- **Email Campaigns:** Targeted emails segmented by user activity, with re-engagement campaigns for inactive users.
- **Social Media:** Use platforms like Instagram, Facebook, and YouTube to promote the referral program with engaging content, such as short video ads and influencer collaborations.
- **Referral Banners:** In-app and website banners encouraging users to share referral links immediately after checkout or during high shopping periods.
- **SMS Alerts:** Use SMS to reach users who have turned off push notifications but have an active phone number.

Urban Markets:

1. Social Media Marketing:

- Launch highly targeted ad campaigns on Instagram, Facebook, and YouTube using influencer endorsements to promote the ease of earning cashback during festive periods.

2. Email & Push Notifications:

- Remind existing users to take advantage of the referral program, highlighting festival bonuses and the ease of referring friends and family.
- Send personalized emails based on user shopping history to encourage specific types of referrals.

Rural Markets:

1. WhatsApp Marketing:

- Promote the referral program in local languages via WhatsApp groups, tapping into strong regional and community networks.

2. SMS Campaigns:

- Use SMS campaigns to reach users with festival-specific referral offers.

3. Regional Media and Radio Ads:

- Promote through local radio ads, posters in markets, and regional YouTubers who cater to rural audiences.

2.e. Implementation Plan:

Weekly Implementation Roadmap:

Steps:

Planning: Finalize program details, rewards structure, and tracking mechanism (Week 1-2).

Development: Update the CashKaro app and website with referral tracking capabilities (Week 3-5).

Pre-launch: Run a small pilot to ensure all referral links, rewards, and systems are working smoothly (Week 6).

Full Launch: Implement the program with a marketing blitz across in-app, social media, and email channels (Week 7-8).

Monitoring: Start tracking performance daily/weekly for feedback and optimizations (Week 9 onwards).

Festival Roadmap:

Timeline:

- **Month 1 (Pre-Festival):**
 - Launch state-specific campaigns in regions celebrating festivals like Pongal, Onam, and Durga Puja.
 - Focus on creating strong referral incentives to build momentum ahead of Diwali.
- **Month 2 (Festival Period):**
 - Focus on a nationwide campaign for Diwali and Holi, offering additional cashback bonuses for both referrers and new users.
 - Utilize the group referral strategy for rural markets.
- **Month 3 (Post-Festival):**
 - Continue promotions for regional festivals like Makar Sankranti, Baisakhi, etc., to maintain the referral momentum in specific regions.

Quarterly Roadmap:

- **Q1:** Launch referral program ahead of Holi, with a focus on acquiring 1 million new users and achieving 250,000 referrals.
- **Q2:** Scale the program during Diwali, targeting a 6% increase in user base (1.5 million users).
- **Q3:** Continue expanding the program during regional festivals such as Durga Puja and Onam.

2.f. Measurement and Evaluation

Key Performance Indicators (KPIs):

1. **User Base Growth:**
 - Monitor the total number of new users added through the referral program, with a target of 1 million new users by the end of Q1.
2. **Referral Conversion Rate:**
 - Measure the referral-to-sign-up conversion rate, aiming for at least 15%.
3. **Referral Purchase Rate:**
 - Ensure that 60% of referred users make at least one purchase within 30 days of signing up.
4. **Festival-Specific Growth:**
 - Track the impact of regional festivals (Durga Puja, Pongal, Onam) on new user acquisition, focusing on the growth in tier 3 and rural markets.
5. **Geographic Performance:**
 - Measure urban vs. rural user acquisition to determine the program's effectiveness in reaching both markets.
6. **Campaign Engagement:**
 - Track engagement rates on social media, WhatsApp, and regional channels to ensure effective communication and promotion.
7. **Average cashback payout per user** to monitor program cost-effectiveness.
8. **Customer Lifetime Value (CLV)** of referred users compared to non-referred users.
9. **Churn Rate:** Compare churn rates between users who joined through referral versus other acquisition channels.
10. **Cost per Acquisition (CPA):** Evaluate the overall cost-effectiveness of the referral program.

- Evaluation Method:
- Use CashKaro's in-app analytics tools to monitor referral link shares, sign-ups, and transactions.
- Generate weekly and monthly reports to track progress and optimize the program as needed.

Suggestions :

CashKaro can collaborate with companies like Adda247, Amazon, Flipkart, and others to mutually promote their services through in-app advertisements. This type of cross-promotion can be a win-win situation, benefiting both CashKaro and its partner companies. Here's how CashKaro can approach this strategy:

Benefits of Cross-Promotion for CashKaro and Partners:

1. Increased Visibility for CashKaro:

- By collaborating with platforms like Amazon, Flipkart, or Adda247, CashKaro can get featured on their platforms, potentially gaining exposure to millions of users who may not be aware of cashback services.
- In return, CashKaro can promote these platforms to its existing user base through in-app ads, banners, and push notifications, driving more traffic and sales for its partners.

2. Leverage Partner's Large User Base:

- Companies like Amazon and Flipkart already have a massive customer base in India, especially in urban areas and Tier 1/2 cities. CashKaro can request these e-commerce giants to promote the CashKaro referral program or cashback offers in exchange for promoting their deals on CashKaro's platform.

3. Mutual Growth in User Engagement:

- Adda247, an online learning platform, can benefit by reaching more students through CashKaro's users in rural and semi-urban markets, especially since youth in these regions are increasingly adopting digital learning.
- Similarly, Flipkart and Amazon can increase their sales through CashKaro by promoting exclusive cashback offers on CashKaro for purchases made on their platforms.

How CashKaro Can Approach This Collaboration:

1. Proposal for Mutual Promotion:

- CashKaro can present a joint-marketing proposal to these companies, highlighting the mutual benefits of increased visibility, user engagement, and revenue through cashback-driven purchases.
- Pitch how these companies can feature CashKaro within their own apps as a cashback provider, in return for CashKaro prominently promoting their deals and products within its app.

2. In-App Advertisement on Partner Platforms:

- CashKaro can request that Amazon, Flipkart, and Adda247 feature CashKaro's referral program within their app, possibly under sections like Deals, Offers, or Cashback categories.
- CashKaro can also offer to push exclusive promotions for certain product categories during key festivals like Diwali, Holi, and regional festivals, where sales typically spike.

3. Integrated Campaigns:

- Run joint marketing campaigns where users can access additional discounts or cashback on partner platforms by referring friends or using CashKaro during high-traffic periods like sale seasons or festivals.
- For example, during Diwali, CashKaro and Flipkart can run a cashback boost campaign where referred users making purchases on Flipkart get extra cashback via CashKaro.

4. Data Insights and Analytics for Partners:

- CashKaro can offer data insights on user behavior, purchase patterns, and conversion rates, which will be valuable for partners to fine-tune their own marketing strategies.
- This is particularly useful for companies like Adda247, which can target students with better deals and offers based on the user demographics CashKaro provides.

Conclusion:

Cross-promotion between CashKaro and its partners like **Amazon, Flipkart, and Adda247** will create a synergistic marketing strategy that drives growth and user engagement for all parties involved. By leveraging each other's platforms for visibility and promotions, CashKaro and its partners can significantly increase their user base, sales, and referral traffic.

This collaboration can also help CashKaro expand into Tier 2/3 cities and villages by reaching untapped segments while solidifying its presence in urban markets.