

Assignment no : 1

Study of start-up opportunities using CRED Business Model

- Payment Setting Company.
- Marketing Strategies.
- Government Permissions

CRED :

CRED is a fintech startup that provides users with a platform to pay their credit dues, rent and other bills, all in one place while earning additional rewards for doing so on time. It provides users with an instant credit line and enables a safe space for P2P lending between high trust individuals at interest rates which are way more beneficial than the traditional lending sources.

A brainchild of Kunal Shah, CRED was launched in April 2018, with the idea of capitalising on the industry of high trust individuals who would be rewarded for their responsible financial behaviour.

The idea behind CRED is to create a gated ecosystem of high trust credible individuals and eventually build ways for them to link and connect with one another. It is a credit-based ecosystem that provides a safe space for individual lenders and financial institutions to lend money to trustworthy individuals. It uses the creditworthiness of individuals in the form of their credit scores as a measure to filter the community. Then to retain customers, it rewards them in the form of CRED coins if they make timely payments through the platform.

How does CRED operate ?

Once the user downloads the app and enters their mobile number, the app checks the cards connected to the registered phone number till the account gets configured. If the credit score is greater than 750, the person is allowed to use the app. If not, he is sent to the waiting list. After receiving access, CRED apps will have access to the mail identification for reading and scanning credit card receipts like due dates and service statements.

CRED also has a CRED Store where you can burn your coins for curated products related to

- International and domestic getaways
- Health and wellness
- Home solutions
- Food
- Workspace essentials
- Entertainment

They keep on adding new partner sites to add to CRED's brand value. Some of the most notable partners are

- Amazon – 5% cashback on all orders
- Book My Show – discounts of up to Rs. 225
- Big Basket – 20% discount on first order above Rs. 800
- 1mg – cashback of up to Rs. 165

Some other notable brands on CRED are :

- Puma
- Cross (if you still love pens in this digital era)
- Ajio
- Myntra
- ixigo

Advantages of CRED :

1 . Paying Multiple Bills Through A Single Platform :

Using CRED can not only help you manage your credit card payments but also rent, education fees, insurance premiums and phone bills. CRED also provides liquidity benefits and rewards to its users. Thus making payments on time has a new benefit to it if you are using CRED.

2. Deals and Offers:

The CRED application helps you to use your multiple credit cards and also use specific credit cards for every purchase. It helps you to track the offers that are

available on these cards and avail curated packages for CRED members. This helps you to make substantial savings on your purchases.

3. Identify Errors and Raise Disputes :

Maintaining an error-free credit report is of utmost importance. This is where CRED helps its members to maintain an error-free report. The AI-backed system the application uses helps its members to get a notification in case of any suspicious transaction or activity on the card. The application also identifies and reports any hidden charges or extra costs in the billing statement. The CRED application helps to raise any disputes in the billing statement that is sent by the credit card issuer.

4. Taking Control:

With an application like CRED, you are in complete control of the credit cards that you own and of the payments that you make. By using CRED Protect, you can gain access to category-based analysis of all the transactions and analyze if there are any hidden charges or costs that are levied on you.

5. Enjoy a Longer Credit Period:

A lot of CRED application users are using the RentPay service that is available on the app. With this, you can avail of a credit period of up to 45 days and also use CRED coins as a cashback for paying rent using the application.

Disadvantages of CRED :

There have been a number of complaints regarding CRED that payments are not getting processed on time. However, the number of successful payments is more than the number of failed ones.

CRED only has an email address – feedback@cred.club – as a means of communicating with them. Given that you are trusting your money with CRED, they should come up with a chat option and a phone service to address customer grievances.

CRED's partner brands are the ones that focus on the good living, luxury and wellness aspects. Some people might not find much usage for many of the products listed on the partner sites. 5% cashback on Amazon does stand out though.

- **Payment Setting Company:**

A startup can build a payment setting platform similar to CRED but focused on a specific industry or niche, such as healthcare or education. The platform can offer payment management services, rewards, and discounts for customers who pay their bills on time.

The key to success in this industry is to provide a user-friendly experience, streamlined payment options, and timely reminders to customers. Additionally, partnering with banks and other financial institutions can help in offering a range of payment options.

- **Marketing Strategies:**

Another opportunity is to build a marketing platform that connects businesses with their target audience. The platform can offer targeted advertising, data analytics, and customer engagement tools to help businesses increase their reach and sales.

By leveraging the CRED model, the platform can offer incentives to customers for engaging with advertisements, such as cashback or rewards points. Additionally, the platform can partner with other marketing agencies and businesses to offer a range of services to their clients.

Cred has several different marketing strategies. Some are viral marketing moves while others are as simple as releasing simple finance-related blogs and rewarding users with cashback and discounts.

But every strategy has two things in common, uniqueness and the ability to create brand awareness & brand recall.

Cred has partnered with the Indian Premier League (IPL) as an associate sponsor for 3 seasons and most of the marketing activities done by Cred are also during the time IPL kicks off. They organize social media contests, marketing campaigns and advertisements. This helps the brand gain more exposure and create trust among the general public.

- **Government Permissions:**

A startup can also leverage the CRED model to build a government permissions platform that helps businesses navigate the complex process of obtaining government permits and licenses.

The platform can offer a range of services, such as permit tracking, document management, and compliance monitoring. Additionally, the platform can offer a network of legal and regulatory experts to help businesses navigate the various legal requirements.

To succeed in this industry, it is essential to have a thorough understanding of the regulatory environment and build strong relationships with government agencies and officials.

In conclusion, startups can leverage the CRED business model to build innovative platforms in various industries, such as payment management, marketing, and government permissions. The key to success is to offer a user-friendly experience, targeted incentives, and build strong partnerships with other businesses and financial institutions.

We at the CRED group i.e. Dreamplug Technologies Private Limited and its subsidiaries, (“the Company/Dreamplug/We/Us/CRED”) are committed to protecting the privacy and security of your personal information. Your privacy is important to us and maintaining your trust is paramount.

This Privacy Policy explains how we collect, use, process and disclose information about you. By using our website/app and affiliated services, you consent to the terms of our privacy policy (“Privacy Policy”) in addition to our Terms of Use. We encourage you to read this Privacy Policy regarding the collection, use, and disclosure of your information from time to time to keep yourself updated with the changes & updated that we make to this Policy.

This Privacy Policy describes our privacy practices for all websites, products and services that are linked to it. However this policy does not apply to those affiliates and partners that have their own privacy policy. In such situations, we recommend that you read the privacy policy on the applicable site. Any capitalised terms not defined hereunder shall hold the same definition as provided under the Terms of Use.

1. Account/Card Deletion :

We provide all our Users an option to request the deletion a specific account through the support section on the CRED App. Following such request, we delete all such information related to the specific account including but not limited to profile information, card data, transaction details, reward details, referrals details, statement details, google oauth sessions etc. that we are not required to retain.

In certain circumstances, we may be unable to delete your account, such as if there is any outstanding dispute, loan products availed through the CRED App or unresolved claims pending on your card/account. However, upon resolution of the issue preventing deletion, the information is immediately deleted and can't be recovered thereafter. Note that we may retain certain information if necessary for our own legitimate business interests such as fraud prevention and enhancing users' safety and security or to fulfil our legal and contractual obligations and compliance requirements.

2. Changes to Privacy Policy :

Dreamplug reserves the right to change this policy from time to time. Any changes shall be effective immediately upon the posting of the revised Privacy Policy. We encourage you to periodically review this page for latest information on our privacy practices.