



## APM CASE STUDY

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### Introduction

I am a 23 year-old final year undergraduate working as an intern and most of my friends have just started off with their first job and have started receiving their first salaries. It's quite overwhelming for me as well as my friends when we receive salaries in our account for the first time. It gives us a sense of financial independence but in a blink, it's all gone. We spend all the money on something or the other.

Today's young millennials have ambitions & want far exceeding what their paycheck can support. They want to buy the latest gadgets, drive the best bikes, watch stand-up shows live, and holidays abroad. Their paycheck often doesn't support doing all of these together and so saving for their different goals & managing their ongoing monthly finances has become very difficult.

There's a famous quote that says "Getting rich is hard, staying rich is harder" and that's where personal finance management comes in and that's where Groww can help us manage our finances better and that's the sole motive of Groww from day 1 - to help people invest money for their goals and track their investments better.

### User Personas (*\*These are real user personas, help us understand the problem better*)

#### **1. Prakhar Munde, 22 Years Old**

- Has just started working as a researcher in Bangalore and earns 11 LPA • Invests once in 4-5 months randomly in stocks through Groww
- Does not know how to save for his goals smartly and ends up spending more • Wants to save for his MBA but he is skeptical to invest the money as he finds it difficult to choose which option would suit best for the type of goals he needs to save money for according to his risk appetite

#### **2. Vishwas Rawat, 23 Years Old**

- Has just started working as a Software Engineer and earns 18 LPA
- He is a regular investor and invests in stocks, crypto, and other instruments and considers himself as a long term investor
- He is considering saving some money for his own startup in the future and it is really difficult for him to assess the investment opportunities based on his goals. • Finds it very difficult to track all his investments as he makes the investments from different platforms so he needs one place where he could track all of it, currently he just skips tracking as it's a very cumbersome process

### 3. Mansi Ghatiya, 21 Years Old

- Has just started working as an associate in Chennai and earns 6 LPA •  
Lives in a rented apartment with his friend
- Wants to start investing but is not yet educated
- Whenever we hang out with our friends discussing our future plans, we usually end up ranting about the mess that is our financial planning. It usually goes along the lines of EPF vs NPS, MF vs direct shares, debt vs equity, crypto vs equity, 80C vs 80G, Health insurance vs term insurance, company insurance vs personal insurance, LTCG vs STCG, tax brackets, HRA, and of course collecting proofs about them. She is just not aware of a lot of things.

### **Major Pain Points**

#### **1. Tracking all investments in one place**

Since there are a lot of instruments we invest in, for example - Small cases, they charge some amount monthly so Profit is not simply sold price - buy price.

It just gets difficult to track them all, owing to a time constraint

Users like Vishwas face this problem as they have investments in crypto, stocks, mutual funds, etc. - all on different platforms

#### **2. Making goal-based investments and achieving them efficiently**

We have just started our careers and we have a lot of goals in our head but when it comes to investing we have been investing randomly in various instruments based on whatever our understanding of the market is. We don't really invest based on the goals that we have set in our minds and it just gets difficult to know where we stand in terms of our set goals.

#### **3. Unable to save taxes on my investments and unaware of the tax implications on my investments**

As we have just started earning, we have also started to pay taxes and now when it comes to taxes there are a lot of different ways by which we can save taxes but optimizing our tax savings is really a big task. One needs to know where to invest so that they can save maximum tax and that's where the problem lies. They are literally unaware of the places where they can save tax and of the approach to do the same.

**Biggest problem:** Making goal-based investments and efficient planning of your finances

### **Why Solve it now?**

The age group which we are targeting is just at the starting point of their professional life and it's really very important for them to set their goals and invest accordingly.

Taking into consideration the above factors I would like to propose a solution for this problem now.

**Objective:** Enable users to create, track and achieve their goals in an efficient way

### **Goals - Concept Note**

Goals is a space where users can create/choose from suggested goals, track and achieve them on time.

It enables users to invest money on different short/medium/long term goals at one time from one account

- They can plan for multiple goals simultaneously and track progress against each
- Avoid juggling between multiple accounts and platforms

User Need	Use Case/ Need Functionality
Goal-based investing on various assets	<ul style="list-style-type: none"><li>• Set goals, periodically invest for them, and track them</li><li>• Invest in mutual funds and</li><li>• Learn about different investment instruments based on their goal</li><li>• Create goal</li><li>• Get suggestions on different types of funds to invest in, based on the amount and risk appetite</li><li>• Invest for the goal</li><li>• Adjust goals</li><li>• Check for their affordability</li><li>• Withdraw money from the goal</li><li>• Edit goal name, icon, goal amount</li><li>• Delete goal</li><li>• View all goals together</li><li>• Send personalized notifications and timelines</li><li>• Dashboards for visualization, and track all the shortfalls for your goals in one place</li></ul>

**How are 'Goals' Implemented?**

### **User Flow**



### Details on the user flow

1. We will ask users and take permissions from users to take information about the amount of money they can invest in a month, salary, age, existing loans etc.
2. Users can create custom goals as well as AI recommended goals
3. This feature will tell you the inflation-adjusted value of your future goals which will set a much clearer picture
4. AI-based recommendations will help users to decide their goals easily
5. After the goal is decided, we will recommend users invest in a set of instruments with diversified risks to achieve the goal efficiently.

For Example - Invest 5L in Debt MF, 3 Lakh in Growth MF, and 3 Lakhs in Equities. 6. After investments are made for that goals we can track them and analyze our returns 7. Users can also add their current already existing investments to the goals if they wish to. 8. Once the goal is created and investments have started we will be regularly updating users about their goals and investments and whether they are on track or not.

### The Business Case for “Goals”

Groww aspires to be the one-stop-shop for the users for all their investment-related requirements like stocks, mutual funds, insurance, crypto, etc.

**Goals** is designed to increase the frequency & depth of engagement on Groww, in contrast to the transactional relationship (Eg. Buying/Selling stocks) users typically have with their stocks broker platforms. Here’s how :

- **Increasing Frequency:** By facilitating monthly investments organizing investments based on different goals instead of just one or two for all their different goals
- **Increasing Depth:** By enabling the creation of short/medium/long term goals. Further, by recommending the right instruments to invest, optimal splits across different asset classes, and facilitating automated investments, Groww comes across as a caring and helpful friend
- **Increasing Personalisation:** Personalized recommendations based on salary information, time to achieve the goal, and risk appetite of the user

The product construct also helps drive **monetization** by :

- Increasing investment frequency
- Facilitating Cross-selling in the future ( based on the progress of goals ) we can form the basis for cross-selling loans
- Profiling Users: Saving and investing behavior ( types of goals, progress, net worth)

*Overall, Goals is designed to be a key feature in Groww that drives usage of Groww as a one-stop-shop for all their investment-related requirements.*

### **Risk and challenges**

- Users might not want to share personal information like salary, in that case, our algorithm would not be able to give optimal recommendations
- Since we are dealing with equity markets there are certain risks associated with it and in case of market crashes, we might face some backlash.
- If Mutual Funds refuses to share the details with us so that we could share them with the users then we may not be able to tell the best alternative to the users.
- SEBI and govt. Regulations might come in the way as we
- Various other competitors like INDmoney present which are helping users track their goals

### **Success Metrics**

Category	Metric	Meaning Actionables
Usage	No. of goals created per user	<p>If this increases overtime then it means that users are finding this feature helpful and they wanted to have this feature</p> <p>If the % of active users who have created goals is less then we might want to understand the reason behind</p>
Usage	% of goals on track	<p>This will tell us whether the users are just creating goals and not making investments</p> <p>If users are not on track, we will be sending personalized nudges to them for making investments accordingly.</p>

Engagement	Investments made per goal per user	<p>This will give us an idea of whether the users are actually making goal-based investments or not.</p> <p>If this is low then we might want to understand if users are making investments</p>
Engagement	Existing Investment additions per goal	<p>It will help users organize their investments according to their goals.</p> <p>We can ask users to organize their investments in a goal if they have extra investments</p>
Success	No.of goals achieved per user	<p>This is the validation of our idea</p>

### **Callouts**

- Since goals are generally medium/long term, we might not be able to look at the number of users who have achieved goals, and the impact of the feature might not be captured in that way.
- To understand the users better, we can conduct NPS surveys and user interviews with various target groups to evaluate the impact this feature has made on their habits.