



Problem Statement: Build a new USP for PhonePe

About PhonePe

PhonePe is an app to make transactions in easy to use, safe and fast way. It is a payments app that allows you to use BHIM UPI, your credit card, debit card or wallet for all type of payments.

The application is available in both Android and iOS.

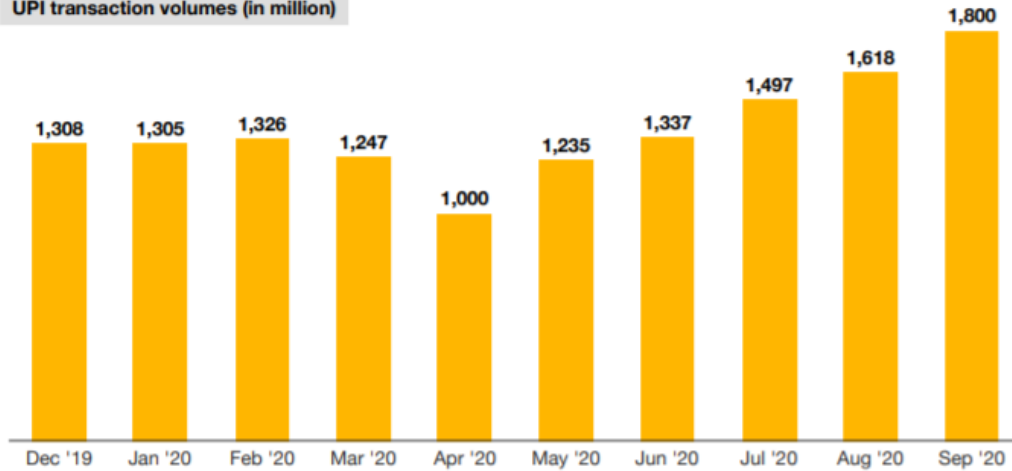
The USP for PhonePe is **ease of use** with clean UI to make payments simpler and faster for elderly population. Feature fatigue tends users to move away from the product since too many features makes the product cluttered and complex.



INDUSTRY INSIGHTS



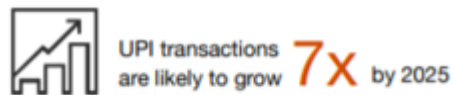
UPI transaction volumes (in million)



Source: NPCI statistics



Projected growth of UPI transactions



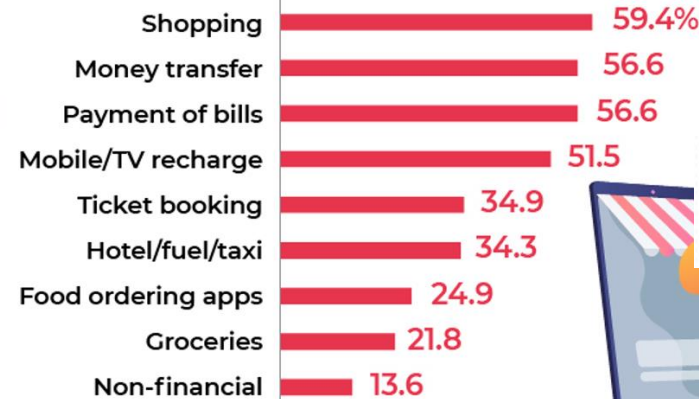
UPI Transaction Volume in India [Source](#) (Dec'20)

Mobile Payment Usage in India



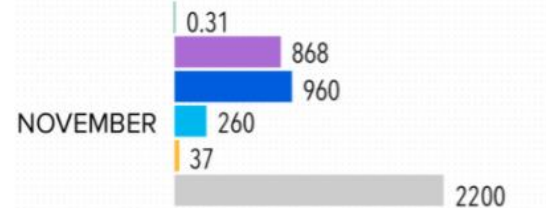
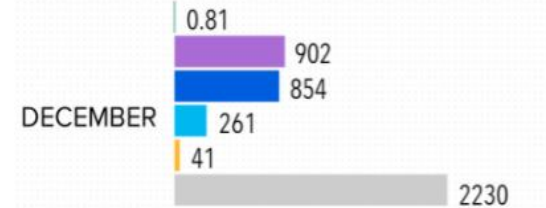
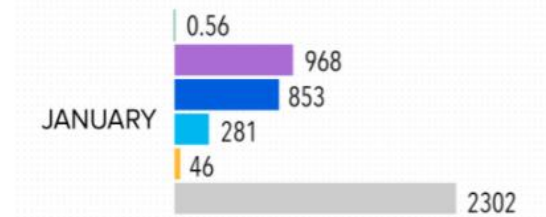
[Source](#) (May'21)

PURPOSE OF DIGITAL TRANSACTIONS



Data will not add to 100 as participants could select multiple options.

(May'21)



Monthly transaction volumes on UPI in millions

(Nov'20 – Jan'21)



Source: RBI

PRODUCT STRATEGY

Vision

- To make payment and transactions easy and safe for elderly people
- To build trust and help senior citizens join the fintech revolution
- inculcate a habit of using app instead of cash
- To make senior citizen handle their finances and become independent

Target group

- People above the age of 60 years in tier 1 – tier 2 cities

The percentage share of the elderly population in the total population is projected to touch 13.1 per cent in 2031 from 10.1 per cent in 2021 .

Pain Points

- Find online payment apps complex
- Lack of trust for digital payments
- No offers and discounts in cash payment
- Trouble standing in bank and ATM lines
- Limited financial tracking solutions in traditional apps

PhonePe, easy and simple to use app, will educate users, build trust, provide support and help them have a seamless experience in making payments

Product

- Simple, safe and easy to use payment app with focus on senior segment of the urban society
- Provide users offers and discounts by collaborating with companies and operators

More than 17% of them senior citizen live independently with children living separately or in other cities or abroad

Business Goal

- To provide senior citizens with financial solutions
- Help them make safe transactions
- Build user's trust in technology

The overall potential of the market driven by senior citizen consumers is as large as ₹100,000 crore, excluding the real estate, banking and financial services and insurance and pharmacy products.

USER PERSONAS

Rakesh



Age: 65 years
Work: Retired Government Employee
Location: Delhi
Personality: Punctual, Social

Attributes

- Goes for walk daily
- Reads newspaper daily
- Does grocery shopping
- Uses Android smartphone
- Love watching movies
- Not very tech savvy but have basic know how
- Spend time with friends

Goals

- Pay bills on time
- Pay for daily spend including groceries, recharge etc.
- Transfer money to friends and family
- Get discounts and cashbacks
- Track expenses

Frustrations

- Pain of going to ATM for withdrawing cash
- Cash exchange becomes difficult sometimes
- Traditional netbanking websites are complex and slow
- No cashbacks and discounts when paying via cash.

Bio

Rakesh is a retired government employee who lives in Delhi with his wife. His children and grandchildren resides in Bangalore. He is using smart phone for 5-6 years now.

Rakesh likes going for walks with his friends. He also visit store regularly to buy groceries. He does video calling with his children and grandchildren frequently.

As he is getting old, going to banks and ATMs have become a taxing task for him. He have tried few applications but because of their complexity and safety concerns he always moved back to using cash.

Brands & Influencers



Preferred Channels

TV Ads

Newspaper Ads

SMS/Mails

Referral

Richa



"I'm looking for an easy and safe method to process my business transactions."

AGE: 60
WORK: Business
LOCATION: Noida
PERSONALITY: Friendly, Punctual, Organized, Independent

Attributes

- Independent woman
- Drop granddaughter to school at 7:30 AM
- Open salon at 10:00 AM
- Loves cooking and shopping
- Enjoy organizing small parties at home for friends and family
- Spend time on social media channels

Goals

- Fast and easy way to settle dues
- Pay employees and daily workers (Including other stakeholders) on time
- Avoid long ATM and Bank queues for business transactions
- Pay bills of salon on time
- Easy exchange of money with customers
- To keep track of her business transactions

Frustrations

- Customer these days prefer to pay via UPI/Wallet
- Traditional banking sites are slow and therefore takes time to process the payment
- Have to exchange money often - not having change becomes a pain

Bio

Richa is an independent women who runs a salon in Noida. She live with her husband, son, daughter-in-law and a granddaughter.

She enjoys shopping and cooking. She is not very tech savvy but try to learn and upgrade herself. She try to keep her employees happy and satisfied. She is also a very social person who keep long term connect with her customers.

Preferred Channels

Social Media

Referral

Email/SMS

Traditional Ads

Brands



COMPETITIVE ANALYSIS

Competitor	Product Strategy	Positives	Negatives	Target Groups	Differentiator
GPay	<ul style="list-style-type: none"> ▪ GPay forged deep partnership with central bank and government. ▪ Celebrate local culture and sentiments. Diwali scratch cards, IPL offers etc. ▪ Started The Spot Platform for business and users for easy buy & pay option using Identity, payment, messages and order APIs. ▪ Reward users with offers and cashbacks with every transaction. 	<ul style="list-style-type: none"> ▪ Made transactions simple and easy, from sending money to your friends to paying bills. ▪ No transaction charges. ▪ Clean UI/UX 	<ul style="list-style-type: none"> ▪ App was once temporarily taken down from Apple App Store to fix an issue. ▪ Frequent failed transactions can reduce the confidence of users on the platform. ▪ Recently PIL is filled against GPay over unauthorized access to Aadhar and Bank data. ▪ South Korea banned Google and Apple payment apps to promote fair competition. 	Millenial and Post Millenial	<ul style="list-style-type: none"> ▪ The payments are received directly into the bank accounts eliminating the trouble of transferring money first to wallet and then to bank account. ▪ GPay currently have presence in 40 countries worldwide.
Paytm	<ul style="list-style-type: none"> ▪ Paytm is one of the oldest digital payment apps, which has transformed the way today transactions are done with its tagline 'Paytm Karo'. ▪ Focus on enhancing digital excellence, increase earning growth, and cross-selling opportunities. The company also wants to leverage its capabilities and value propositions to increase its market position. ▪ Paytm wants to bring half a billion Indians into the mainstream economy through their financial services. 	<ul style="list-style-type: none"> ▪ Paytm counts over 150 million monthly active users. ▪ Adoption has increased to lower tier cities. Platform is used in over 6 lakhs Indian villages and over 20 lakhs merchants. ▪ Paytm has become a painkiller than a vitamin in India. 	<ul style="list-style-type: none"> ▪ Charges for transferring money from wallet to bank. ▪ Too many features have made UI cluttered and app complex to use. ▪ In news for fraud transactions and calls. Security and customer service are far more critical to the success of Indian fintech than incentives and convenience. 	Millennial and Post Millennial	<ul style="list-style-type: none"> ▪ Various platforms support Paytm. i.e. Android, iOS, Web. ▪ Have option of UPI transactions, card transactions as well as wallet transactions.
Amazon Pay	<ul style="list-style-type: none"> ▪ Started to streamline order management and payments experience for both merchants and users. ▪ Help merchants acquire, win-back customers and drive higher transaction share with the rationale of making amazon's customer their customers. 	<ul style="list-style-type: none"> ▪ Removes hassle of exchanging cash - saves time for both delivery associates as well as customers. ▪ Streamline checkouts and offer omnichannel payments thus leading to increase in sale on amazon and other platforms. 	<ul style="list-style-type: none"> ▪ Amazon Pay balance can not be transferred back to bank account. ▪ The Amazon Pay wallet option is not available on other e-commerce sites like Myntra, Flipkart etc. ▪ Sometimes option is tough to find for new users. 	Millennial and Post Millennial	<ul style="list-style-type: none"> ▪ Launched Amazon Pay ICICI Bank Credit Card in collaboration with ICICI Bank. ▪ Gift cards for multiple occasions like Amazon Pay Corporate Gift Cards

Competitor	Product Strategy	Positives	Negatives	Target Groups	Differentiator
WhatsApp Pay	<ul style="list-style-type: none"> UPI based features that lets people send money to their family and friends from within the chat option. 	<ul style="list-style-type: none"> Fast One can make the payment just like sharing image or video over chat. 	<ul style="list-style-type: none"> Security issues are making people reluctant to use WhatsApp pay. Continuous drop in the number of transactions is seen over a period of time. Delay in the rollout of feature. WhatsApp started testing in early 2018. 	Millennial and Post Millennial	<ul style="list-style-type: none"> Can send money only to a person in contact list who have registered to payment service.
MobiKwik	<ul style="list-style-type: none"> Vision is to enable a billion Indians with one tap access to digital payments, loans, investments and insurance by the year 2022. Focused on addressing the unmet credit needs of the fast growing digitally paying users. 	<ul style="list-style-type: none"> Focus on brand associations for great deals and offers. More than 3 million ecommerce, physical retail and biller partners 	<ul style="list-style-type: none"> In news for breach of 100 million cardholder's data. 	Millennial and Post Millennial	<ul style="list-style-type: none"> Give option of Buy Now Pay Later. Hassle free loan in few minutes. Aiming for IPO in 2022.
Internet Banking	<ul style="list-style-type: none"> All transactions are done via bank's website. Funds are transferred via NEFT, RTGS and IMPS. 	<ul style="list-style-type: none"> More secure. More detailed transaction statements. Less chances of transaction failures. 	<ul style="list-style-type: none"> Portals are slow and complex. Poor UI/UX. Minimum balance to be maintained in few banks. 	Millennial, Post Millennial, Mid-lifer and retirees	<ul style="list-style-type: none"> Have physical presence. Used by much wider audience.

BUSINESS MODEL CANVAS

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
<ul style="list-style-type: none">▪ Banks▪ Third party merchants	<ul style="list-style-type: none">▪ Primary and secondary research▪ Development▪ 24/7 support over call▪ Marketing	<ul style="list-style-type: none">▪ To make transactions easy for elderly people with clean and simple UI.▪ Provide them with offers which are valuable and as per their needs	<ul style="list-style-type: none">▪ Regular updates via emails, messages and notifications▪ Customer Support	<ul style="list-style-type: none">▪ People above the age of 60 years▪ Tier 1 and Tier 2 cities
	Key Resources		Channels	
	<ul style="list-style-type: none">▪ Human resource including engineers, designers, QA, marketing team etc.▪ Set of potential users to take user interviews		<ul style="list-style-type: none">▪ Emails, newspapers and television ads for launch depending on the budget▪ Emails & messages for promotional and transactional communications▪ Android and iOS app notifications	
Cost Structure			Revenue Streams	
<ul style="list-style-type: none">▪ Research Cost▪ Marketing▪ Labor and operational cost▪ Legal and Licensing cost			<ul style="list-style-type: none">▪ Transactional cost for transactions above 50K▪ Commission from companies and operators	

ENVIROMENTAL FACTORS

Demographic

- In the last decade and a half, 60+ has become independent and economically stable with a high propensity to spend and care for themselves
- 25% of bank deposits are made by senior citizens
- India's elderly population to rise 41% over next decade to touch 194 M in 2031
- Elderly population in India (Above 60 years) = 10.1% = 138M
138M (67M Males and 71M Females) -> 29% in urban cities ~ 40M

Technological

- Within 6 months of Pandemic, share of internet users in elderly population increased to 25-30% from around 10%
- Over one-third of first-time users of several digital platforms during the pandemic belong to the 55+ cohort
- In India there are around 749M internet users across India. The figure is expected to increase by 5% in next 5 years
- Reduced prices of smartphones and easy access to 4G and wireless internet have increased internet penetration

Socio-Culture

- Elderly people have safety concerns while adoption to new technology where their finance is concerned
- Covid-19 have expedited the use of contactless mode of payment. People from vegetable vendors & grocery stores to online delivery services are preferring contactless payments
- Many merchants in India still prefer to accept money in the form of cash

Economic

- Many people lost their jobs post pandemic taking away their source of income
- To retain users, many fintech companies have gamified the product along with cashbacks, offers and prizes for the transactions

Political

- Many fintech companies have been the news and under scrutiny of government for data breach, unsecure payments & frauds
- Many initiatives have been taken by government & RBI to boost fintech including UPI, P2P lending, digital payments etc.

METRICS

HAPPINESS

- What is the rating given by people of age > 60
- Net promoter score of the app
- Daily & monthly active users

ENGAGEMENT

- Average time spent by the user
- Number of users availing the offers

ADOPTION

- Download rate
- Signup rate
- Users of new feature/Total no. of users

RETENTION

- Customer Retention rate
- Repeat transactions

TASK SUCCESS

- How many users are able to make the transaction once they login to the app



USER ACQUISITION

Ads to be

- Simple
- Personalized
- To build trust
- Message to be simple, clear and relatable
- Demo and walkthrough videos
- Includes testimonials
- On call help

Use of multi-channels

- TV Ads
- Newspaper Ads
- SMS
- E-Mails
- Affiliates
- Referral marketing

Collaborations with brands/products used by elderly people
such as Grocery, medicines, daily use products etc. for discounts and offers



REVENUE ESTIMATION

FROM USERS > 60 Years		
	Percentage	Count
Total Population		1366 M
Population > 60 years	10.1%	138 M
In Urban cities	~29%	40 M
Adoption Rate	10%	4 M
Transaction above 50K (In 1 year)		4 M
Transactional Cost	Rs 5	4 M * 5 = ₹ 20,000,000

FROM COMPANIES AND OPERATORS	
Total Elderly Users	6M
Average Spend per week * Weeks in year	₹ 100 * 52 = ₹ 3,120,000,000
Commission from companies and operators	1% = ₹ 31,200,000

₹ 51,200,000

Assumptions:

On an average 1 elderly user will do

- 1 transaction/year above 50K
- Transaction of ₹100/week paying to companies and operators