

Notes:

Topic: The intersection of social and finance—as well as shifting attitudes around what we share about money online—has given way to an ambitious new wave of financial products. Your team is preparing an analysis for a client about a potential new product in the social finance area. Research the current state-of-the-art products on the market and make a case for a new app (product) for an under-served market.

### **Issues with CashApp, Venmo, Robinhood:**

- Security is very compromised
- Lacks 2 factor authentication
- Lacks customer service
- Notifications for payments under \$10 do not occur

### **What are Microtransactions:**

- Very popularly used in video games
- Allows to players to buy more accessories that can provide cosmetic or in game advantages
- EA games is famous developer that uses microtransactions in their games causing players to pay more to continue playing the game

The current social sharing of our finances

- A generational change in how transparent we have been online with the hopes of starting some kind of radical change
  - Being more open about student debt, medical debt, salaries
- Apps like venmo make the whole transaction process feel more personable, easier and fun
- Clearly there has been a generational change in how people have behaved online when it comes to the topic of finance.
- Students for example have been more open about their debts (student loans, medical bills, college fees, living cost, and salaries)
- With this mentality being popular it makes sense why P2P apps have had a large success.
- For example venmo is an app that tries to be a social media app, you can see who in your friends list pays and when, the cause for the payment, and whether that user is online or offline.

FinTech

- any business that uses technology to enhance or automate financial services and processes
- Lack of trust in established companies made space for start-ups that are often leaner, thanks to use of technology.
- banks can't be trusted, and your money is only as safe as the government allows you to believe
- The younger generation will gravitate toward brands that provide the best user

- experience, the best value, and ultimately, can help them reach their financial goals
- These new financial technology companies have made serious competitive inroads in areas banks have backed away from, and billions of dollars in venture capital money has followed
- The skepticism isn't reserved for young people. Shareholders and regulators still want to see that the banks are in check, and questions of solvency and compliance come up consistently on bank earnings conference calls.
- Allowed for social and finance to combine and create new state-of the art products

#### Overlapping Market

- Currently the apps that dominate the finance industry are Cash App, Venmo, Zelle, etc.
- Interaction takes the longest. It includes all the social aspects of the application, messaging, content creation, anything that appeals to the user's cognition and emotion. Apps like venmo make the whole transaction process feel more personable, easier and fun. You're able to add like an emoji related to the transactions
- The interaction stage is pretty much instantaneous and These apps are used for direct payment to another person of your choice and can be done swiftly with no questions asked.
- Another form of these social transactions are done through the virtual world (mostly video games) and it is known as microtransactions.
- These forms of transactions are very successful today and increasing in popularity due to the convenience factor. Like everything nowadays people want things to occur fast and easy with the click of a button.

#### P2P Apps

- Lacks customer service like traditional banks. issues that occur may take days to resolve
- Notifications for payments under \$10 do not occur
- Human error: wrong email address or number, sending an incorrect amount of money, sent to the wrong person

#### Microtransactions

- Microtransactions are a form of payment that take place virtually to unlock a special item or feature that usually provides cosmetic validation.
- Companies that are very popular in using these transactions are EA, Ubisoft, Epic Games, and Blizzard.
- Their goal is to get the player to spend more money on their game and in return they get cosmetic upgrades (new character, new feature, new weapon, and new levels)
- Sometimes a game may not be playable until the player spends money on the microtransaction hence allowing them to continue playing the game.
- Lately games have been getting cheaper, even free to download, due to the fact that there are an increase in microtransactions as the player ends up paying more due to the low price tag.

#### Grading

Each team will be submitting your github repository. Each repository should have

1. Your finished product/document
2. Your process, especially documentation for each team meeting
3. Summary of your research and/or intermediate work products

Your team project(product/document) presentation should be inclusive of all three items.

The project will be graded as follows.

Component	Weight
Visuals and Handouts	10
Content	10
Organization	10
Group aspects	10
Overall assessment	30
Presentation style	20
Individual aspects	10