

CONTEXT OF THE PROGRAM

An e-wallet that allows users to perform financial transactions such as money transfers, bill payments, ticket purchases, online shopping, and many other services through their mobile phones. Users' retention has always been one of the key targets that e-wallet is striving to be better. A Loyalty program called "Hoàn tiền", one of the projects aiming to achieve such goal, was launched on January 1st 2022.

Below is a small database of payment transactions history data during Jan 2021-Mar 2022 of E-Wallet.

1. **Transactions** : transactions history

- User_id: each user will be given an unique id
- Order_id: each transaction will be given an unique id
- Date: date on which the transaction takes place
- GMV (Gross Merchandise Value): total amount of money that user spends (VND)
- Merchant_id: each merchant will be given a unique id

2. **Loyalty Points**: how points are earned and the maximum rewards users can receive for each type of transaction.

- Service Group: group services that users spend on
- Point Mechanism: each group services will be given a specific rule to calculate the accumulated point in the loyalty program
- Maximum Point Per Trans: limit of how many point a user can get for one transactions

3. **Loyalty Benefits**: the cashback percentages associated with each Class ID and service group

- Class ID: users ' ranking ID according to amount of loyalty points accumulated
- %Cashback: percentage amount of money that returns to user's wallet after spending an e-wallet service
- Service Group: group services that users spend on

4. **Merchants**: merchant's information.

- Merchant_id: each merchant will be given a unique id
- Service Group: group services that users spend on
- ServiceID: each service will be given a unique id
- Merchant: merchant that users spend on

REPORTS ABOUT USER BEHAVIOR

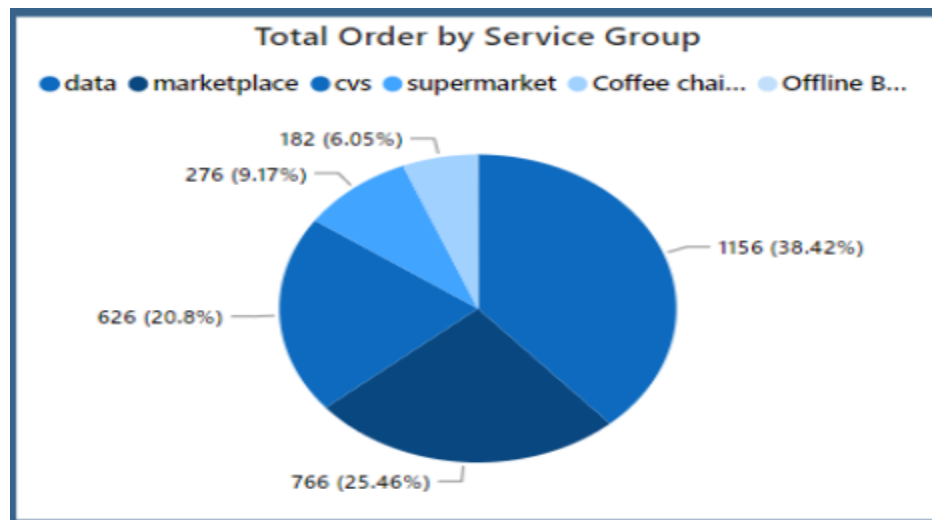
| Start of Week | Weekly New Users | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|---------------|------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|
| 02/01/2022 | 114 | 18% | 13% | 8% | 8% | 10% | 11% | 9% | 9% | 7% | 11% | 10% | 7% |
| 09/01/2022 | 128 | 14% | 9% | 5% | 5% | 12% | 11% | 9% | 11% | 13% | 9% | 16% | |
| 16/01/2022 | 59 | 25% | 14% | 20% | 15% | 24% | 15% | 10% | 24% | 14% | 8% | | |
| 23/01/2022 | 74 | 8% | 9% | 7% | 9% | 11% | 7% | 11% | 11% | 8% | | | |
| 30/01/2022 | 50 | 12% | 16% | 8% | 4% | 14% | 10% | 14% | 8% | | | | |
| 06/02/2022 | 86 | 20% | 15% | 15% | 21% | 14% | 8% | 10% | | | | | |
| 13/02/2022 | 89 | 16% | 15% | 19% | 17% | 12% | 13% | | | | | | |
| 20/02/2022 | 97 | 8% | 12% | 14% | 9% | 9% | | | | | | | |
| 27/02/2022 | 80 | 20% | 13% | 9% | 5% | | | | | | | | |
| 06/03/2022 | 60 | 18% | 12% | 7% | | | | | | | | | |
| 13/03/2022 | 78 | 15% | 9% | | | | | | | | | | |
| 20/03/2022 | 59 | 12% | | | | | | | | | | | |
| 27/03/2022 | 61 | | | | | | | | | | | | |
| Total | 1035 | 15% | 11% | 9% | 8% | 8% | 6% | 5% | 5% | 4% | 3% | 3% | 1% |

A weekly retention charts since the program was launched

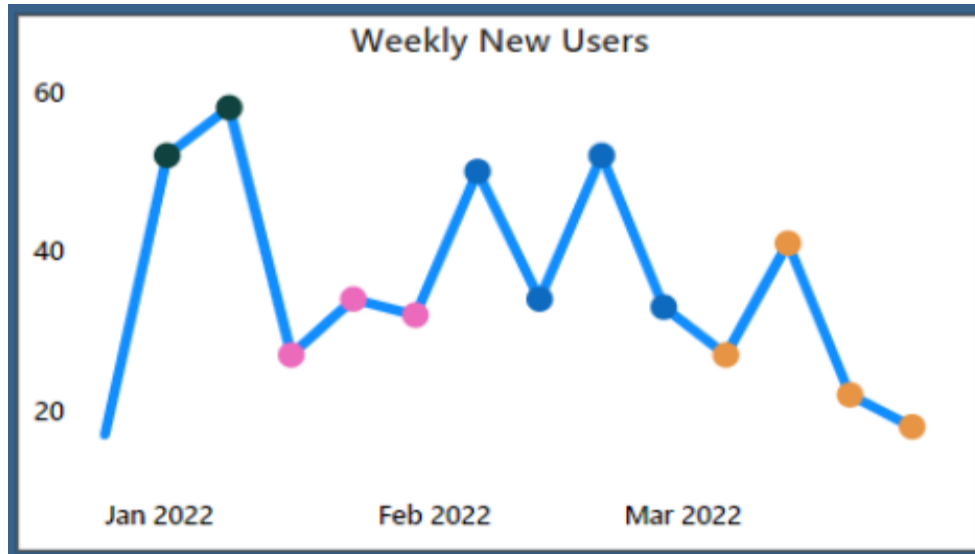
1. User retention rate since Loyalty program launched

Overall, since the cashback program was launched, it has been divided into 4 main stages.

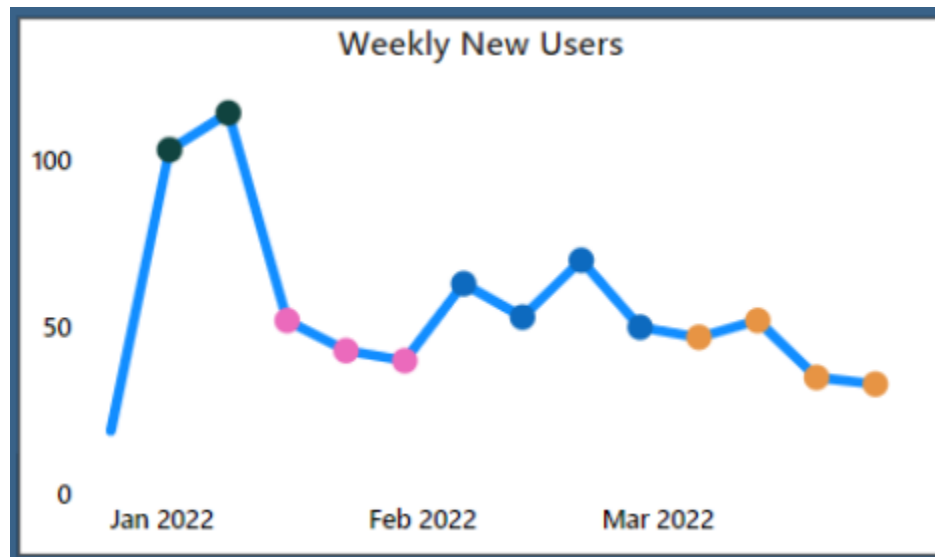
- Phase 1 is the first 2 weeks since the program was deployed, the number of new customers registered each week is the highest in the entire period.
- Phrase 2



Number of transactions by service group in phrase 2th

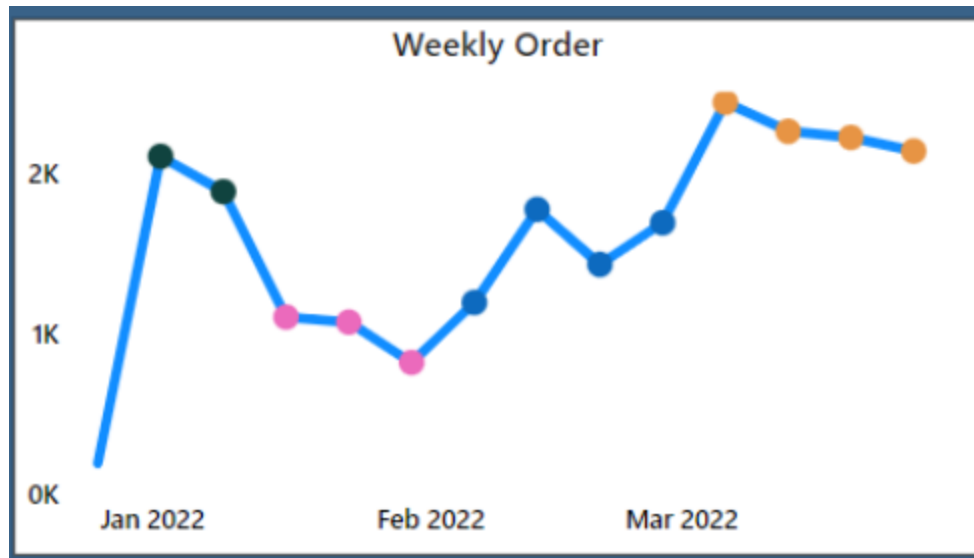


Number of new registered users in the data service group



Number of new registered users in the marketplace service group

- + Phase 2 is the next 3 weeks. At this stage, the number of users suddenly decreases to only about 50% more than the previous phase. The number of newly registered users decreased mainly in 2 service groups: marketplace and data, and these 2 service groups are the 2 groups that users transaction the most.

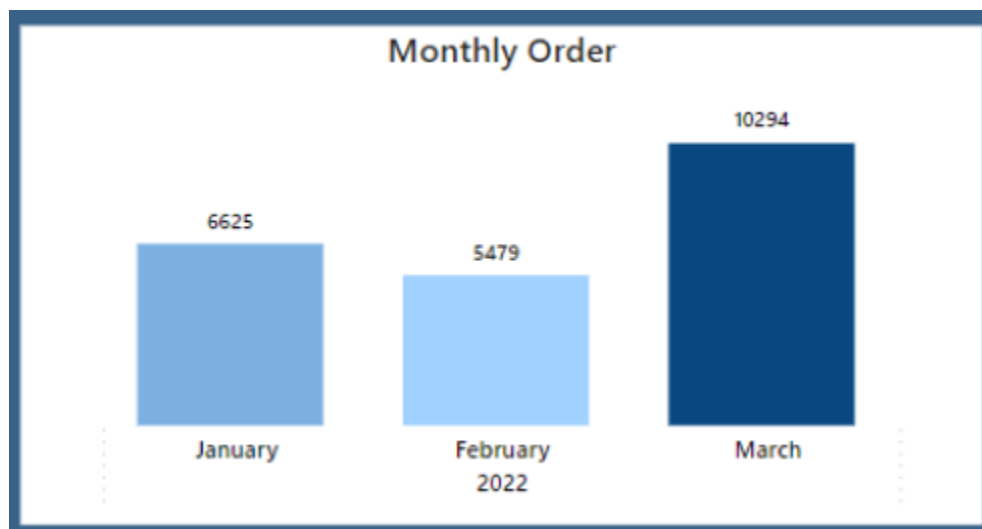


Number of transactions made by week since the launch of the Loyalty program

- Phase 3 is from week 6 to week 10. In this phase, the number of new users per week is higher than phase 2th but still lower than phase 1st. The number of new subscribers increased in all service groups, especially in the data service group.
- The fourth period is the last 4 weeks of the first quarter of 2022. Although in this period, the number of users making transactions for the first time is low compared to previous periods, it is the period with the highest number of orders. in all 4 stages.

This shows that the customer retention rate in the final stage is extremely good.

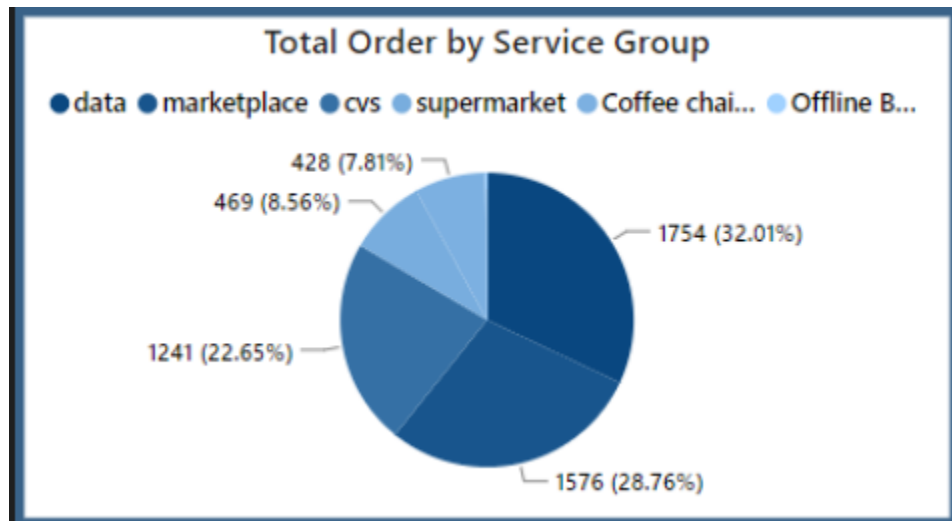
2. Transaction Behavior



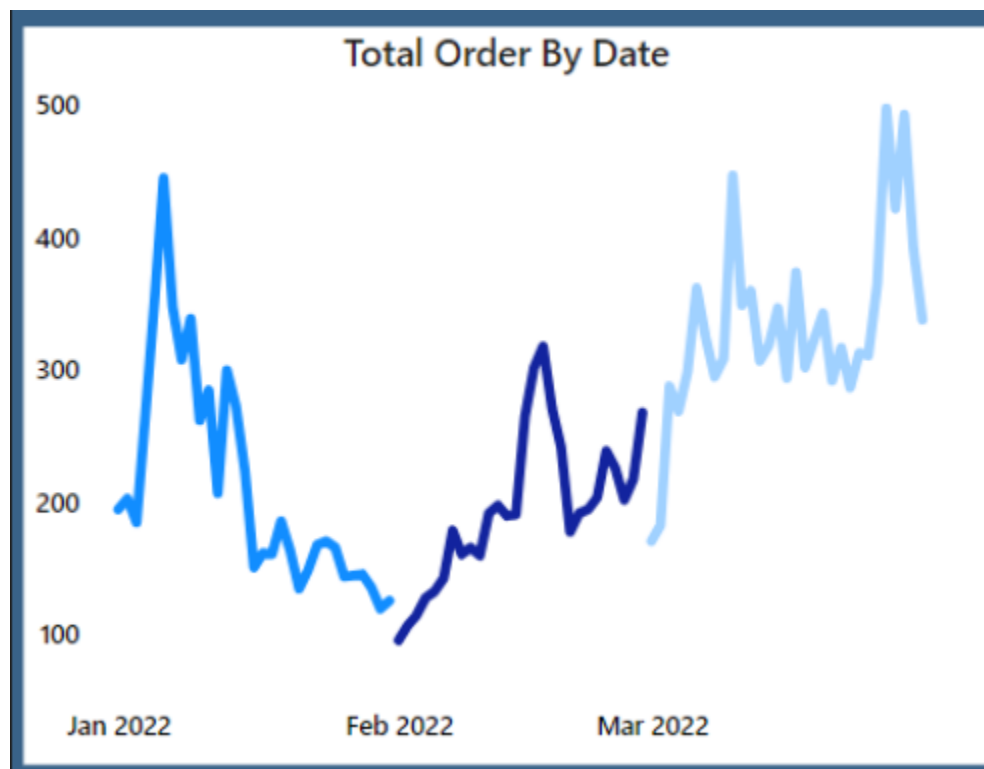
Number of transactions per month since the program was launched

Overall, March 2022 is the month with the highest number of transactions, while February is the month with the fewest transactions.

- **February 2022**



Number of transactions by Service Group in February 2022

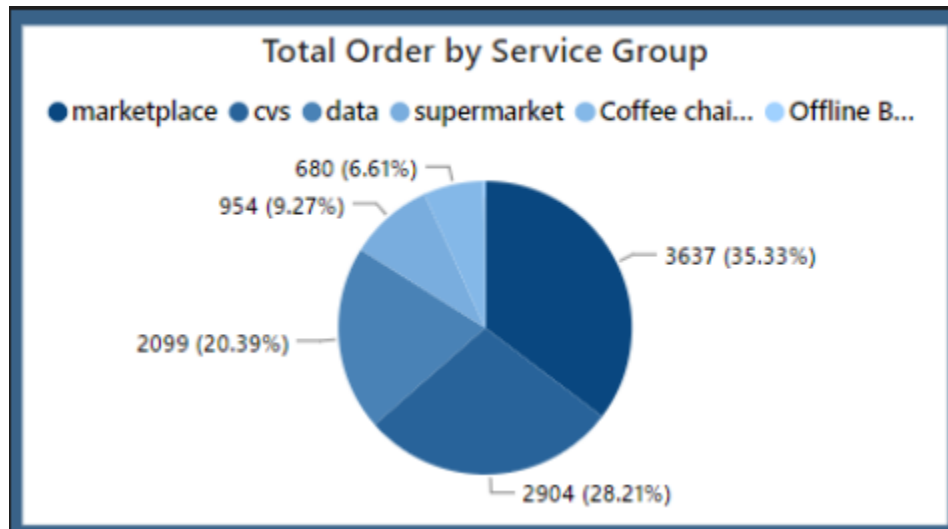


Number of transactions by date since the program was launched

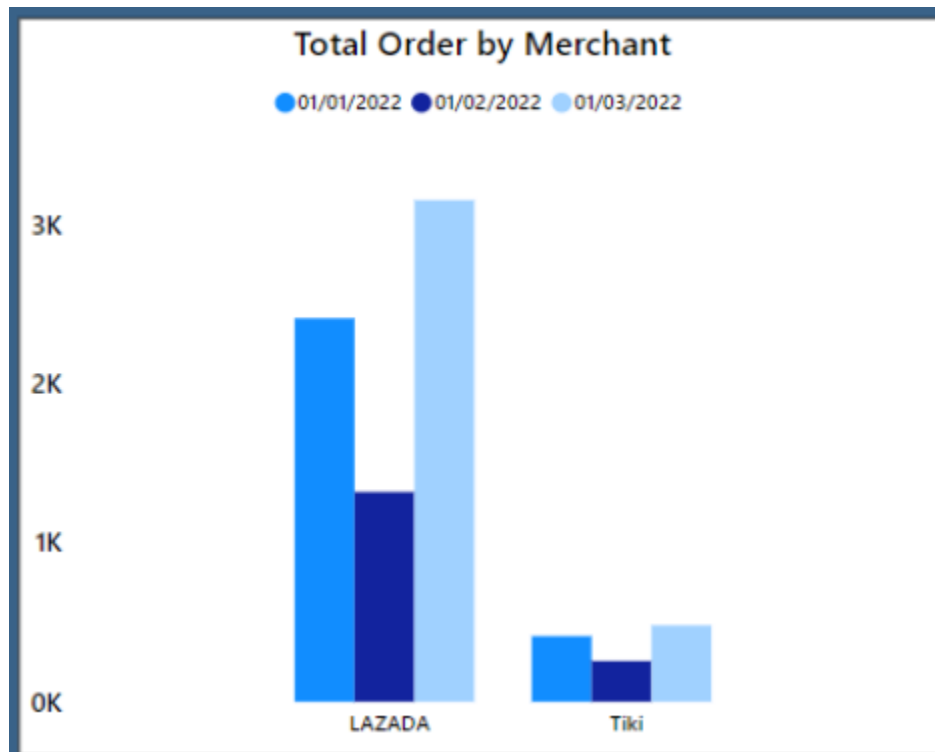
- + In February 2022, the number of transactions at the marketplace group decreased sharply, especially in the early part of February because this was the

Lunar New Year holiday in Vietnam so delivery units stopped operating. This leads to a lower number of transactions in February compared to the rest of the month.

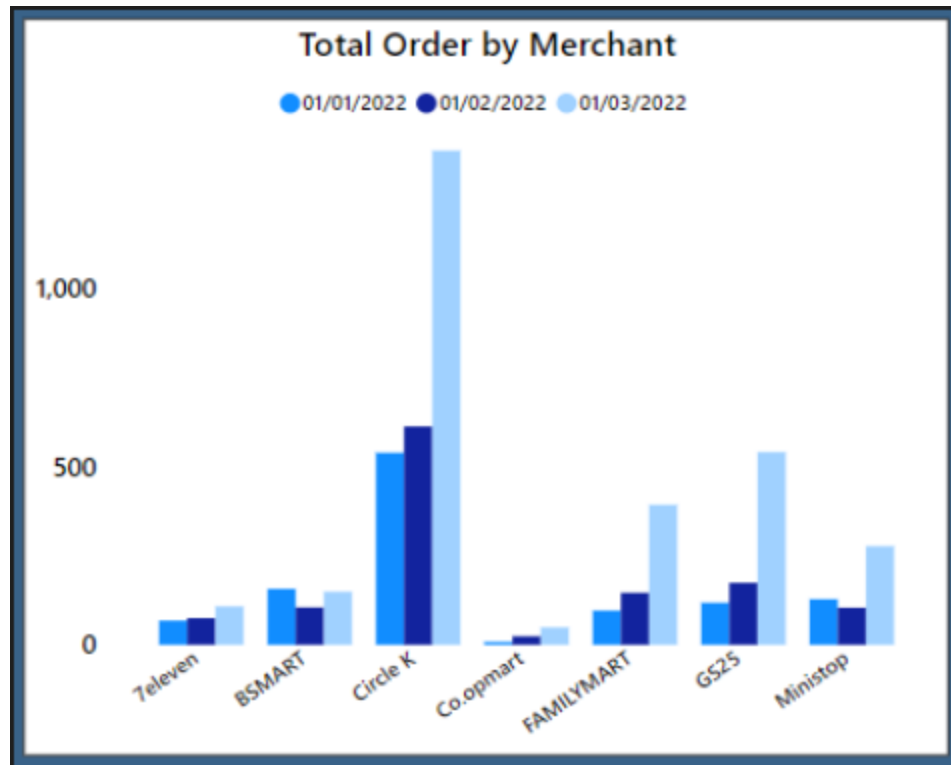
- March 2022



Number of transactions by Service Group in March 2022



Number of transactions in the marketplace service group since the program was launched.

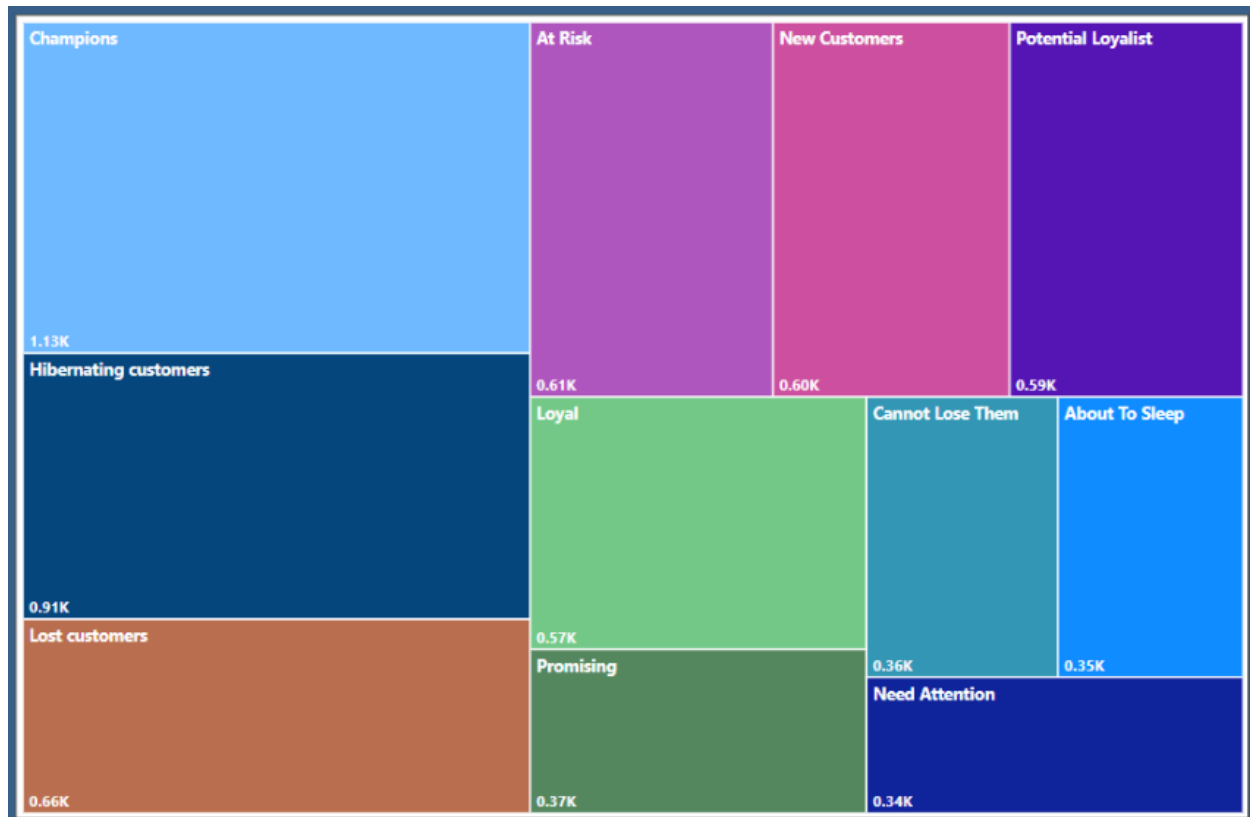


Number of transactions in the cvs (convenient) service group since the program was launched.

- + In March 2022, when the shipping units were operating, the marketplace service group returned to dominate, specifically, the number of transactions at Lazada increased to more than 2000 transactions compared to February 2022. This makes the marketplace service group the service group with the most transactions. Besides, the number of transactions of cvs service group increased, especially the increase in the number of transactions in Circle K.

3. Advice for the Marketing department in designing promotion campaigns to increase user retention performance monthly (Using RFM analysis)

RFM Analysis allows a comparison between potential contributors and clients. It gives organizations a sense of how much revenue comes from repeat customers (vs. new customers), and which levers they can pull to make customers happier to become repeat purchasers.

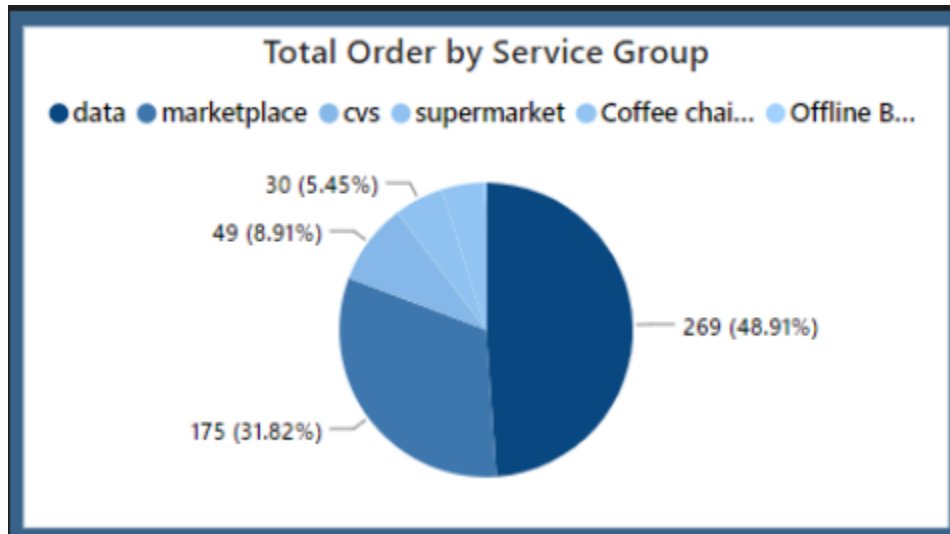


User Segmentation according to RFM analysis

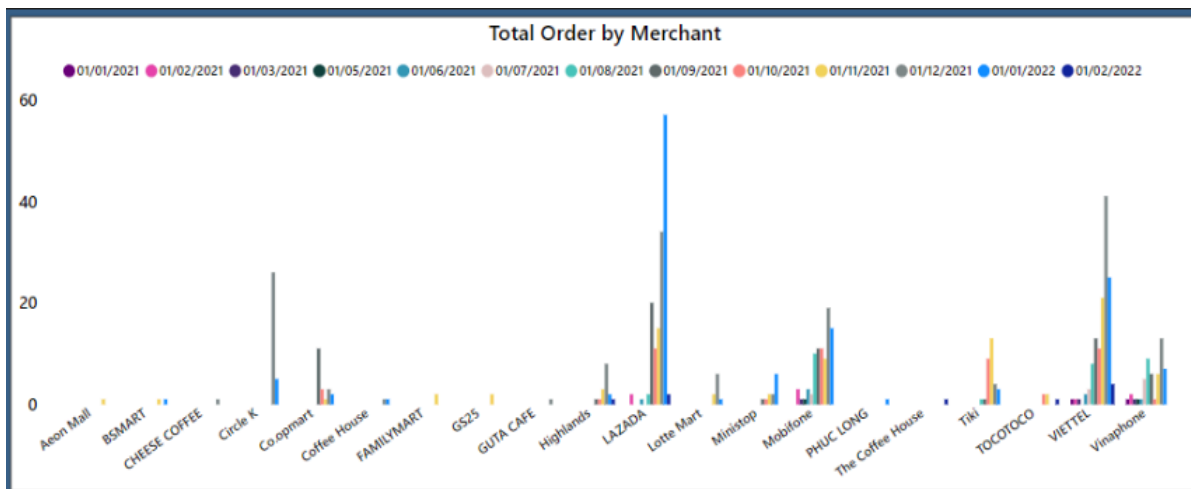
- a. Champion: User segment is making up the largest percentage of customer segments (17.41%). With this segment we must keep at all costs, but with this group of users who have great trust and commitment to our brand, we do not need to lose this customer by promotion strategies. We should care and encourage more personalized Loyalty programs.
- b. Loyal Customers and Potential Loyalists**: These 2 user segments have made transactions many times but the transaction value is not high, so for 2 user segments, we focus on improving the transaction value of users in 2 this segments. Therefore, we should propose incentive programs associated with transaction thresholds. Advocacy and Referral campaigns are suitable for these 2 user segments.
 - Advocacy Campaigns: Advocacy campaigns focus on building a strong brand advocate from among existing users. Advocacy campaigns often include encouraging and motivating brand ambassadors to write positive reviews, share on social media, attend brand events, and even recommend the brand to you.

- Referral Campaigns: Referral campaigns focus on getting existing users to refer your brand to others, potentially becoming new users. To incentivize the referral campaign, we may use rewards or incentives for both the referrer and the referrer when a successful transaction is made.
- c. New Customers and Promises: These 2 user segments are in the service evaluation and experience stage. So our goal in user segments is to focus on improving user satisfaction in the first transaction so that they come back to make transaction. We can apply the gratitude and get feedback on the user's first transaction experience, and also include a discount welcome voucher for the next transaction.
- d. Need Attention and At Risk: These 2 user segments have not made transactions for a long time, although before that, they made regular transactions and the transaction value was also relatively large. So we put the problem here to find out the reason why they are not satisfied and do not make the transaction. We can conduct surveys to find the causes of non-transactions and find solutions instead of running extensive promotions and discounts, to avoid wasting the budget.
- e. About to sleep, Hibernating and Lost: These user segments are people who have not made transactions for a long time and the transaction values are also relatively low, so in these segments we focus on solving the problem as “How do they go back to wallet transactions again and make more frequent transactions? The proportion of these 3 customer files accounts for a large number (nearly 30% of total users). So, in the upcoming promotion campaign to increase user retention, we re-engage these segments. We use the RACE model to implement a Promotion campaign to increase user retention rate. The RACE model is used to determine how to reach and engage with users who have interacted with a brand, but may have not interacted for a long time. 4 components of the RACE model :
 - **Reach:** identify and re-engage old users
 - + Re-engage target: 3 client segments: About to sleep, Hibernating and Lost.
 - + Collect contact information: emails, phone numbers, accounts of former users to be able to contact them.
 - + Create a list of users who need to re-engage: Use collected data to build a list of target users.

- **Act:** create a strong call to action for them to take a specific action, such as clicking a link, visiting a website, or interacting with your content.
- + About to Sleep



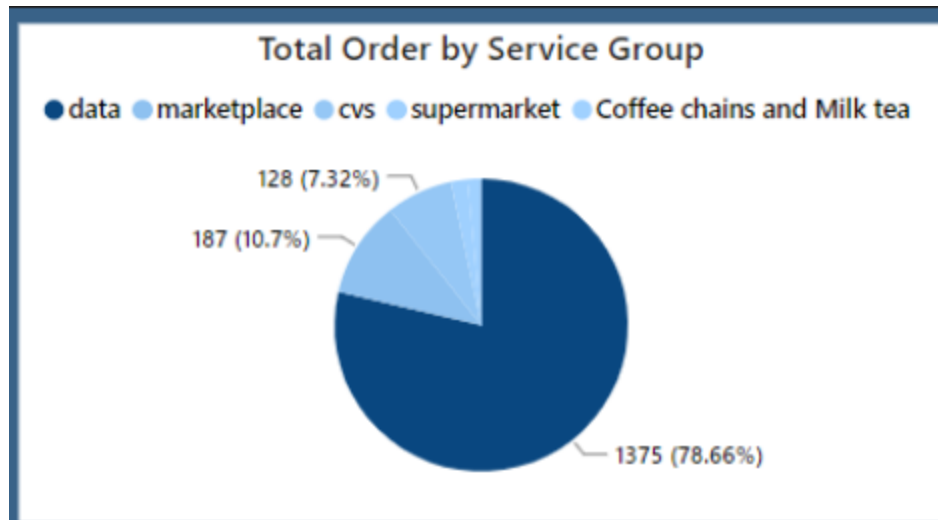
Number of transactions by Service Group of Segment About to Sleep



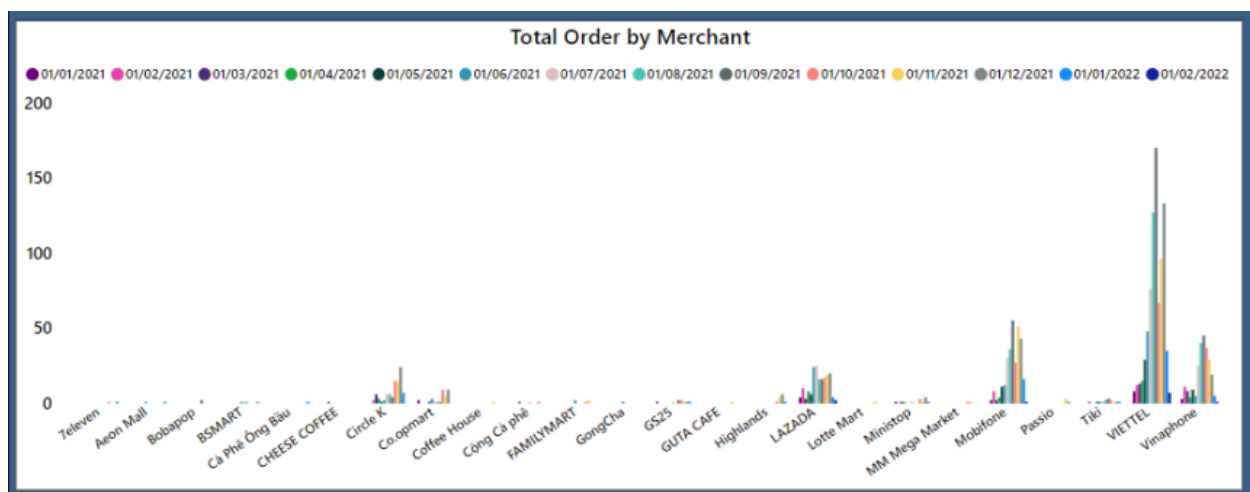
Number of transactions at merchant of Segment About to Sleep

The About to Sleep user segment typically conducts transactions in the data and marketplace group. In the marketplace group, beside Tiki, they mainly trade at Lazada, and in the data group, Viettel is where they make the most transactions, but Vinaphone and Mobiphone also account for a large number of transactions.

- + Hibernating Customers



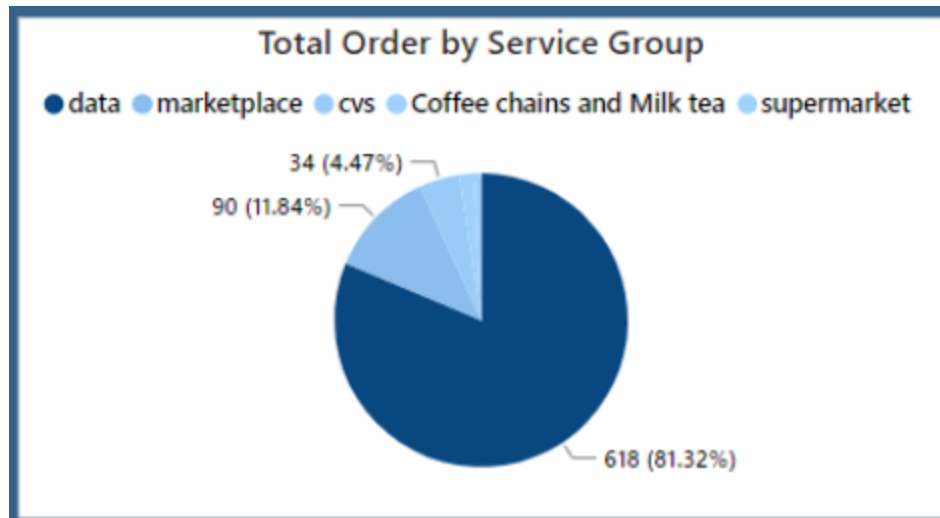
Number of transactions by Service Group of Segment Hibernating



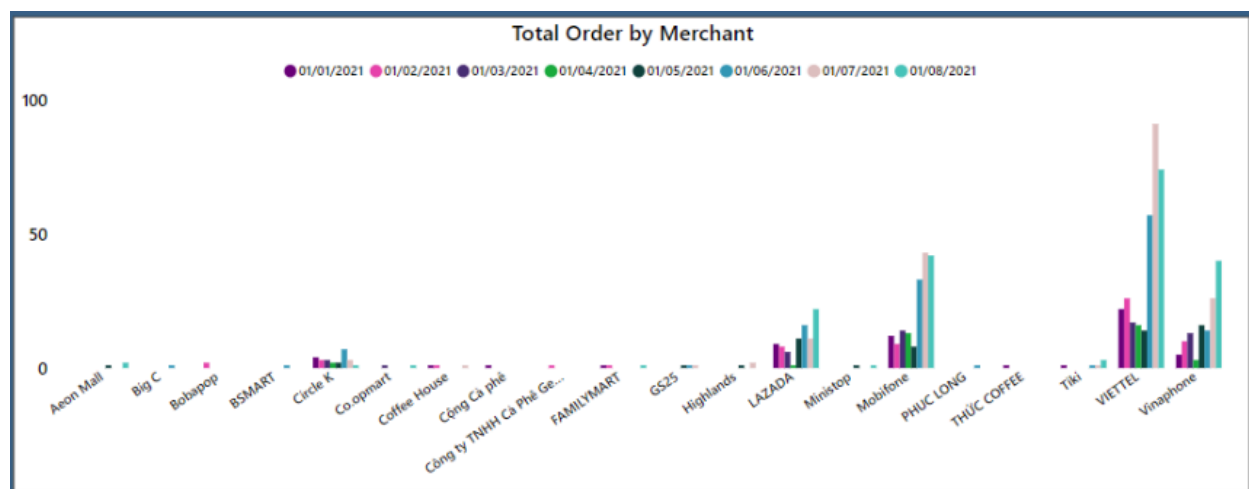
Number of transactions at merchant of Segment Hibernating

The Hibernating segment is the segment that mainly makes transactions in the data group, accounting for nearly 80% of all service groups. Therefore, the places where they often make transactions are Viettel, Vinaphone and Mobiphone, of which Viettel is the place where the most transactions are made. Besides, this segment also has transactions at Lazada and Circle K, with a relatively large number of transactions.

+ Lost



Number of transactions by Service Group of Segment Lost



Number of transactions at merchant of Segment Lost

The Lost user file has relatively similar transaction behavior to the Hibernating user, but the number of transactions performed in the data service group is more, with more than 80% of the total number of transactions.

-> In these 3 groups, mainly transactions in 3 service groups are marketplace, data and cvs. The places where they often transact are Lazada, Tiki, Viettel, Mobiphone, Vinaphone, and Circle K. Therefore:

E-wallet cooperates with the above providers to launch promo codes/gifts directly into users' accounts with a specific time to increase user experience.

Build an advertising campaign: Run Banner, run content in app and on social marketing to remind them about the presence of our e-wallet..

- **Convert:** the goal is to convert old users' actions into a specific result, such as making a transaction again.
 - + Send messages and promotions: Send messages and promotions to your target audience through email, text messages, or other channels. Encourage them to come back and take a specific action like using a service
 - + Conversion Tracking: Use analytics tools to track conversions from former users who received your message.
- **Engage:** create positive experiences and engage periodically to maintain relationships with re-engaged users
 - + Stay in touch: Continually engage with users after they've returned. Send notifications, updates, and valuable information to maintain a positive relationship.
 - + Create user care programs: Create customer care programs to ensure that old users feel valued and they receive the support they need.