Choice FinX

Analyze and develop strategies to enhance mutual fund SIP/lumpsum conversions in our trading app compared to competitors
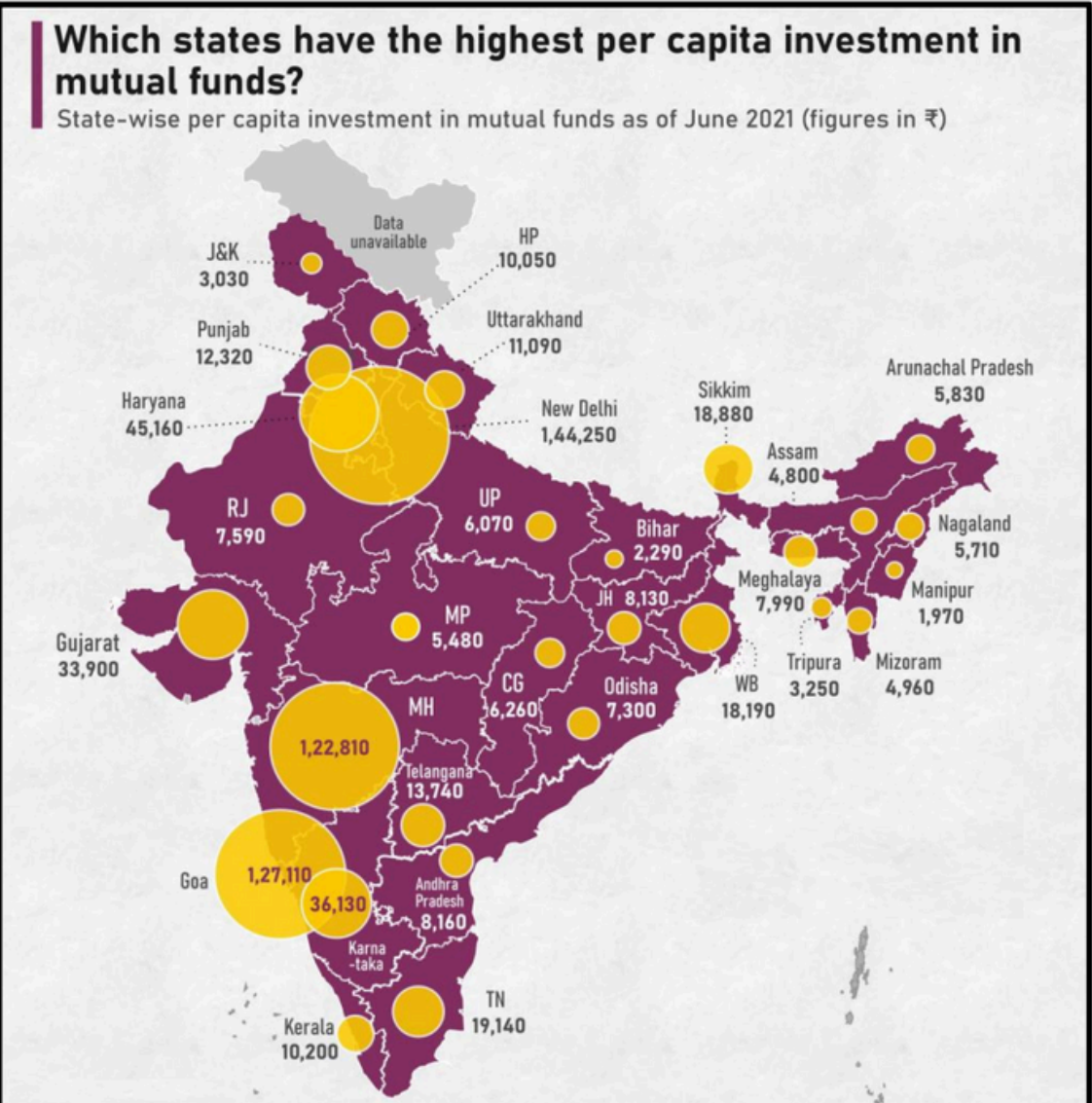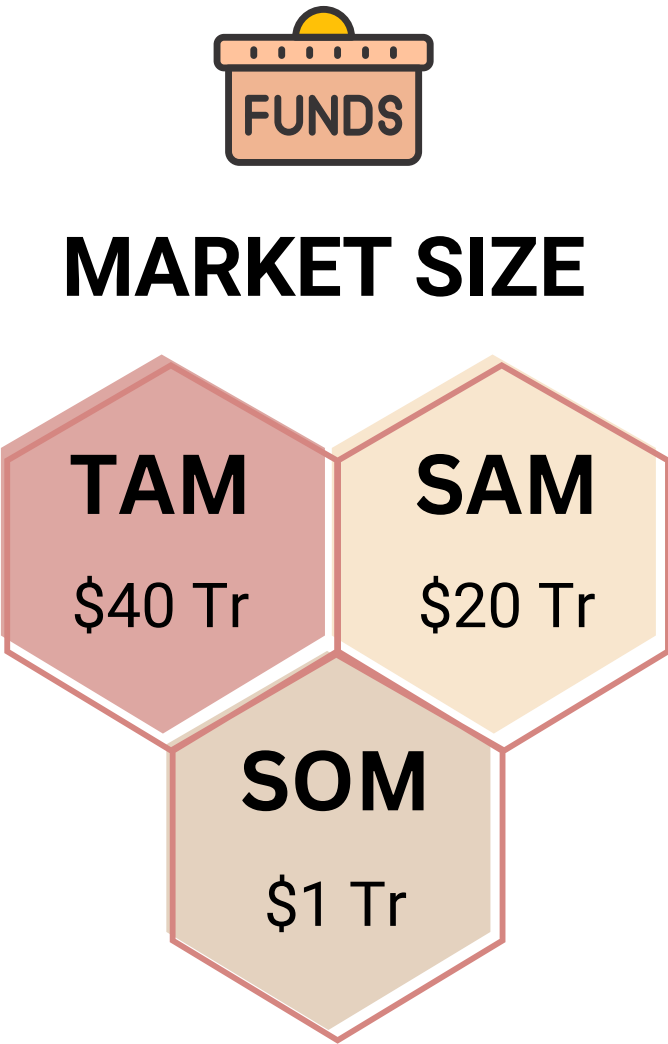
The Indian **Mutual Fund industry** has grown 6 folds from about **10 Trillion in 2014** to about **66 Trillion in 2024,** growing at a **CAGR of 18-20%** over the last 10 years.

And this is estimated to touch **100 Trillion** by **2030** end **[1]**.

Which states have the highest per capita investment in mutual funds?
State-wise per capita investment in mutual funds as of June 2021 (figures in ₹)

FUNDS

MARKET SIZE

TAM $40 Tr

SAM $20 Tr

SOM $1 Tr

MUTUAL FUND? SAHI HOGA?

Based on data from Financial Express a approximately 50% of Tier 2 and Tier 3 populations have sufficient internet access and basic financial literacy to be serviceable. **[3]**

Issues Identified through user interviews & play/app store reviews

MENU Cluttered UI makes navigating the Mutual Funds section difficult

Users find it hard to choose among the many mutual fund options

Filtration and sorting features are overly complex with multiple layers

Lack of local language support for users act as barrier

Complicated onboarding makes registration challenging.
Limited support for users with lower digital literacy levels.

Problems faced by users of mainly per tier 2, lower cities

Despite financial savings comprising **46% of household savings in India, only 6% is invested in mutual funds,** highlighting vast growth potential. This gap indicates a need for greater awareness and access to market-linked investments **[2]**

Shrutik , employee (age-28)

Personality Traits: Risk-averse, goal-oriented, values stability, prefers convenient digital solutions.

Challenges:
- Limited time for active investment management.
- Lack of deep financial knowledge, leading to uncertainty in choosing the right mutual funds.
- Difficulty navigating complex investment platforms.

Demands:
- Simplified mutual fund options with clear risk profiles and expected returns.
- Automated investment plans (like SIPs) for hands-off investing.
- Reliable customer support and easy-to-use, intuitive platform.

Souvik, Trader (ager-35)

Personality Traits: Risk-tolerant, analytical, thrives on market volatility, seeks high returns.

Challenges:
- Balancing high-risk F&O trading with stable investment options.
- Limited access to advisory services tailored for diversification.
- Difficulty in finding a suitable low-risk investment strategy that complements trading.

Demands:
- Custom investment recommendations to diversify high-risk trading activities.
- Access to detailed fund analytics and performance data.
- Flexibility in managing funds with quick access to liquidity.
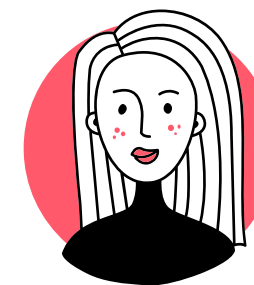
Priyanka , Gen-Z (age-22)

Personality Traits: Tech-savvy, curious, socially conscious, values convenience and flexibility.
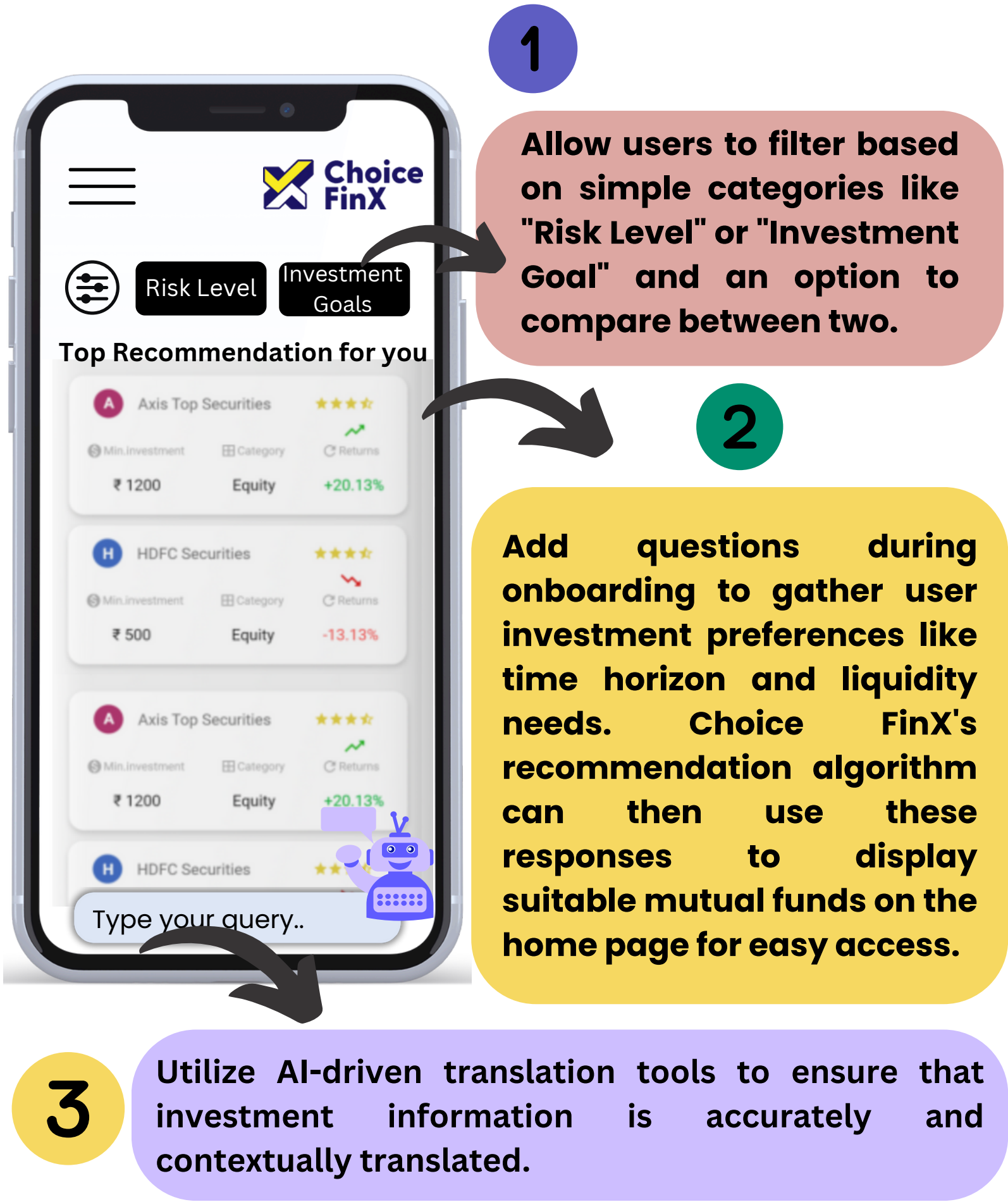
Challenges:
- Overwhelmed by the number of mutual fund options available.
- Lack of tailored educational content for understanding investment basics.
- Distrust in financial institutions due to perceived opacity.

Demands:
- Personalized guidance to navigate fund choices, including recommendations.
- Engaging educational content available on-demand in digital formats.
- Simplified onboarding and easy access to investment options via mobile apps.

Competitve Benchmarking	Groww	ZERODHA	ET Money
User Interface (Rating)	8	6	7
KYC Process (Rating)	9	7	8
SIP/Lumpsum Options (Rating)	8	8	9
Customer Reviews (Rating)	8	7	8
Pain Points (Rating - Lower is Better)	6	5	7
Number of Users (Millions)	25	12	15

Proposed solutions based on user problems and competitve analysis

1 Allow users to filter based on simple categories like "Risk Level" or "Investment Goal" and an option to compare between two.

2 Add questions during onboarding to gather user investment preferences like time horizon and liquidity needs. Choice FinX's recommendation algorithm can then use these responses to display suitable mutual funds on the home page for easy access.

3 Utilize AI-driven translation tools to ensure that investment information is accurately and contextually translated.

4

Provide **local language options** across the app to cater to regional users.

Include **voice support** for navigation in local languages, allowing users to listen to explanations of key investment concepts.

5

Break down the **onboarding process into small, manageable steps** with clear progress indicators. Offer tooltips and hints at each step to help users complete registration without frustration.
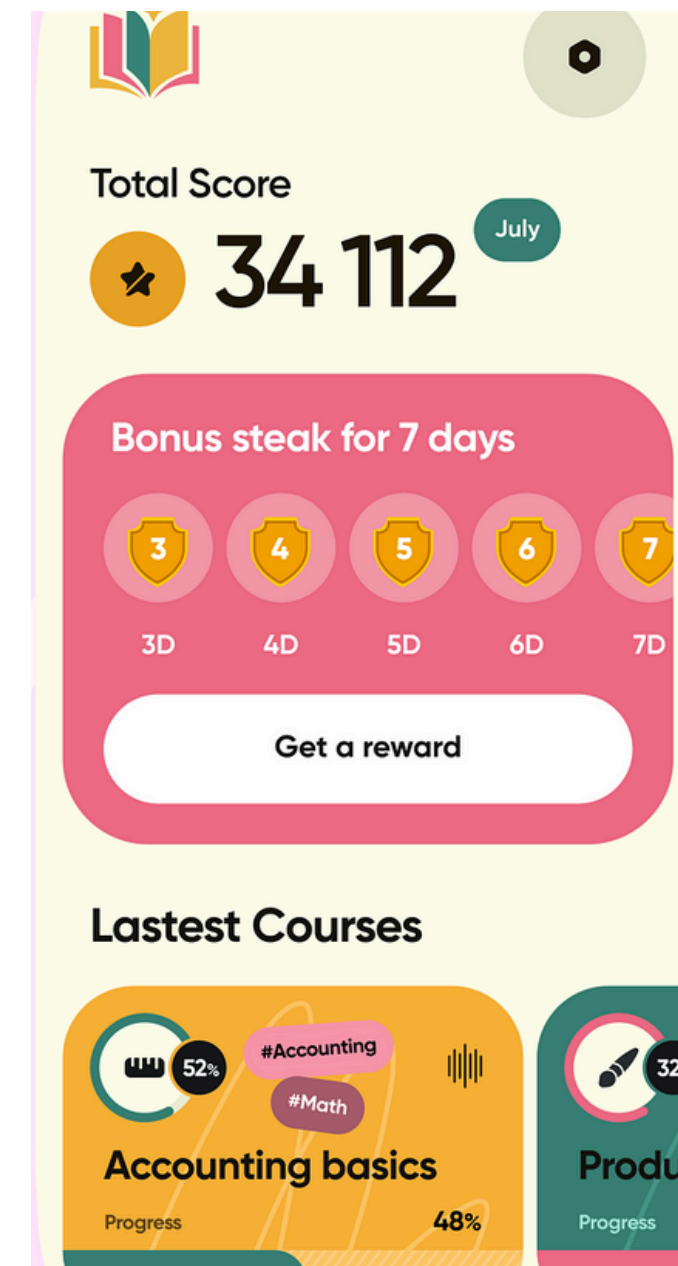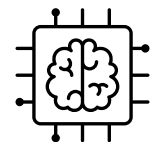
6

Introduce **interactive learning modules** that **gamify** the process of understanding mutual funds, rewarding users for completing small learning challenges.

7

Create a community section where users can discuss mutual funds, ask questions, and share their experiences. Moderated forums can help build a trusted source of information and peer support.

Gen AI-Based Solutions

Gen AI solutions can provide personalized investment recommendations, instant support, enhancing user experience and decision-making in mutual fund investments.

use Gen AI to analyze a user's financial behavior and generate personalized insights, such as recommending changes to their current mutual fund portfolio based on market trends.
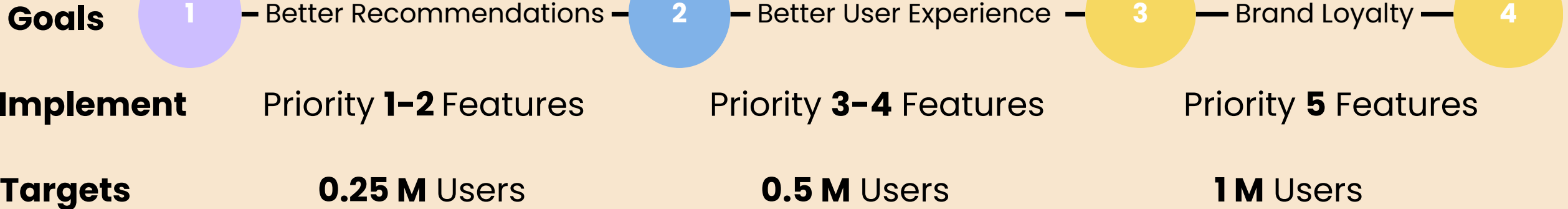
Use AI to personal suggestion alert based on user behavior and market movements.
For example, users could get alerts like "Your selected fund is performing above expectations; consider increasing your SIP".

Develop an AI assistant that acts like a financial advisor. Users can ask questions in natural language, such as "What mutual fund is best for me if I want to invest for 5 years?", and receive customized responses.
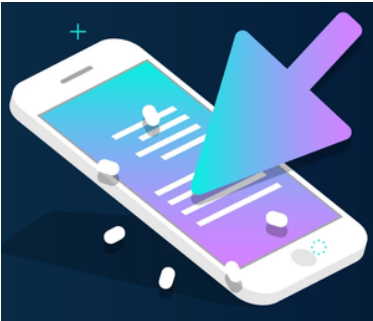
$$\text{RICE Score} = \frac{\text{Reach x Impact x Confidence}}{\text{Efforts}}$$

Solution	Reach (% users)	Impact (1 to 5)	Effort (1 to 5)	Confidence (%)	RICE Score	Priority
Recommendations	90	3	3	65	0.585	1st
Filtration	90	2	3	70	0.504	2nd
Language & onbording	60	4	4	80	0.48	3rd
Gamified & Community	75	2	3	80	0.4	4th
AI features	60	3	4	70	0.315	5th

Goals
① Better Recommendations — ② Better User Experience — ③ Brand Loyalty — ④

Implement
Priority **1-2** Features | Priority **3-4** Features | Priority **5** Features

Targets
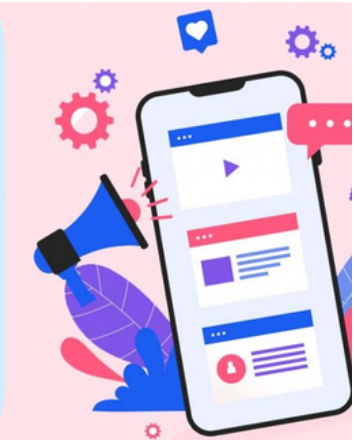**0.25 M** Users | **0.5 M** Users | **1 M** Users

In-app communications

Fast-Track Your Investing Journey!
Complete KYC in under 2 minutes with Aadhaar-based eKYC and start investing in top mutual funds now.
[Complete KYC Now]

Start Smart, Invest Smart!
Get personalized mutual fund recommendations and learn the basics with videos in your language. Start SIPs from ₹500/month.
[Learn More]

Both messages are **designed** to engage the user, making the **investment journey simple** and accessible while **addressing key conversion challenge**s like **KYC delays and education gaps.**

Conclusion
We can scale the app by solving core user needs in Tier 2 and lower cities through targeted features and AI-driven personalization.