

Wealthsimple Inc.

Supporting Gen-Z Every Step of the Way

Here and There Consulting

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AGENDA

- 1 Current Situation
- 2 Recommendation
- 3 Analysis
- 4 Implementation

WEALTHSIMPLE AIMS TO ACQUIRE GEN Z CUSTOMERS

Immediate Issue:

Lack of adoption and engagement amongst Gen Z¹

Underlying Issues:

1. Barrier of trust¹
2. Financial anxiety¹
3. High propensity to switch¹

How can Wealthsimple...

...acquire **100,000** Gen Z customers within a year while staying true to organizational goals?

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RECOMMENDATION OVERVIEW

Investment simulator that combines various Wealthsimple products, with zero risk for consumers.²

Decision Criteria



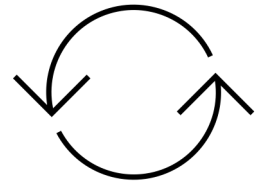
Improving

Financial Literacy¹



Adopting

Various Products¹



Ensuring

Consistent Use¹

TACTICAL COMPONENTS

Hold workshops through Lazsoc²



- Inform and teach students about investing tool.

Referrals and Rewards \$

- Provide rewards for referring other students

Implement at other universities



- Implement through corresponding clubs at target Canadian universities.

IMPROVING FINANCIAL LITERACY

“37% of Gen-Z feel pressure to compete financially with peers ³”



Stock Market Simulator

Gen-Z can experience **real-world trading** for free with **zero-risk**

- Allows for self paced, **autonomous learning**⁴



Personalized Portfolios

4 types of **customized investment services** through Wealthsimple Invest¹

- Variety of **investing options**, aligns with **customer views and beliefs** ⁵

Risk-free stock trading



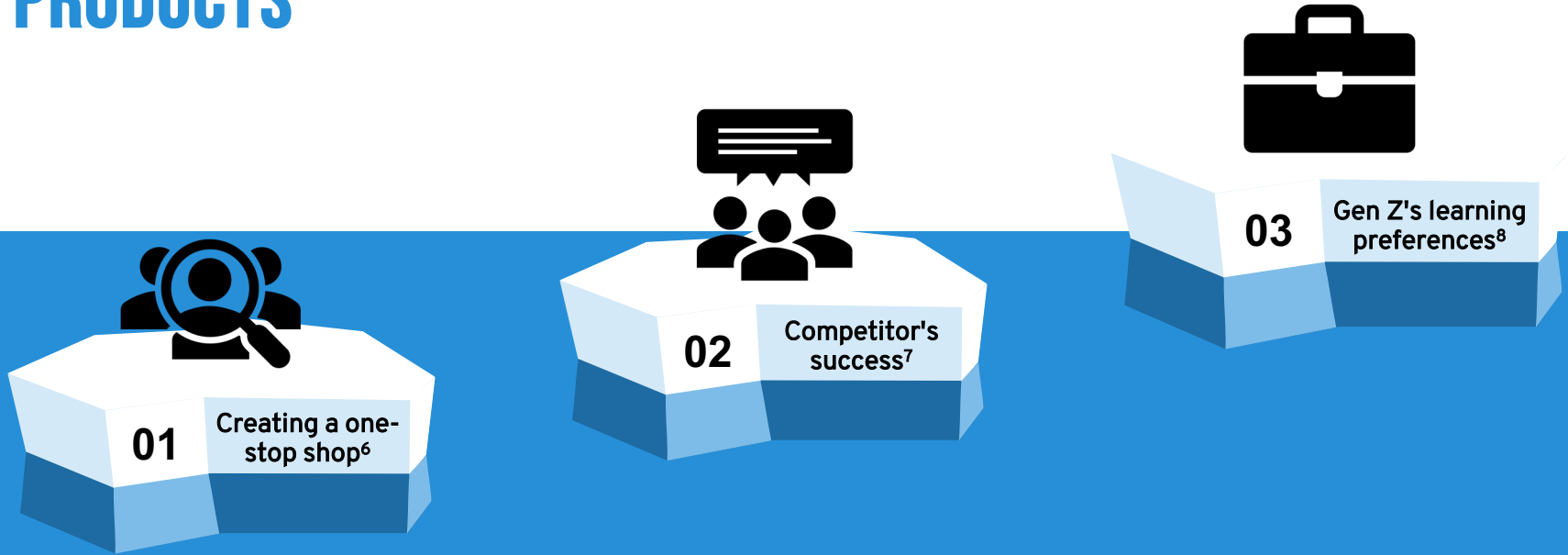
Personalized features and **investing** services⁵



Customer motivation to learn

Key Takeaway: Stock market simulator aligns with Gen Z's learning and personalization preferences; thus, improving financial literacy

ENCOURAGING THE USE OF VARIOUS WEALTHSIMPLE PRODUCTS



Key Takeaway: The proposed simulator encourages the use of various products due to a simple software that accounts for Gen Z's preferences

ENSURING THE CONSISTENT USE OF PRODUCTS

Students will receive \$10 (per referral) into their **Wealthsimple Cash** account

“Referred customers are **18% more loyal** to a brand and have a **16% higher lifetime value rate.**” ⁹



“**92% of people trust referrals from friends.**”
⁹

Key Takeaway: Cash incentive encourages consistent engagement and use of other products while breaking the trust barrier

WEALTHSIMPLE TRADE PLUS

All students will receive Wealthsimple Trade Plus for **3 months free**

This provides Wealthsimple with:

1. Improved **customer engagement**¹⁰
2. **Competitive Advantage** over competitors
3. A higher likelihood of students **referring friends**



**More
Downloads**

Key Takeaway: Wealthsimple Trade Plus causes increased engagement for those who are more experienced in investing

OTHER TARGET UNIVERSITIES



Source: Queen's University



Source: Western University



Source: University of Toronto



Source: McMaster University

Commerce
Student
Organization¹¹

Honours Business
Administration
Association¹²

Rotman Commerce
Student
Association¹³

DeGroote
Commerce Society¹⁴

Key Takeaway: Adapt the implementation of workshops to universities across Canada to reach target number of users

IMPLEMENTATION PLAN



Immediate Term



Develop/refine simulator



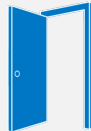
Engage with LazSoc



Advertise on social media



Short Term



Open workshops to
non-BBA students



Deliver workshops



Encourage referrals



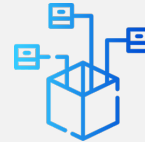
Long Term



Gauge customer response



Roll out to other universities



Promote use of other products

RISKS AND MITIGATION

Biggest Risk

Not enough students show up to Workshops.

Mitigation

Livestream and record workshops to make them more accessible to busy students.

Contingency

Hold a contest with the investment simulator where the winner earns a scholarship of \$5000.

Key Takeaway: a live-streamed workshop allows for more attendees and a scholarship ensures future attendance

SUMMARY

Through this investment simulator and the implementation of workshops, referrals/rewards and expansion to various universities we are expected

Foster financial literacy

Adoption of various Wealthsimple products

Consistent future use

APPENDIX MAP

[Required University Number Calculation](#)

[How Can Wealthsimple Reach Their Customer Acquisition Goal?](#)

[Required Components](#)

[Gantt Chart](#)

[Calculation of Costs](#)

[Risks, Mitigation, and Contingency](#)

APPENDIX Required University Number Calculation

Student Breakdown	Already investing elsewhere: 1 in every 3 students	No desire to invest anywhere: 1 in every ten students	Will want to invest with Wealthsimple: 1 in every 2 remaining students
Possible Students to acquire	Per ten students, 6 will be possible customer acquisitions.	10 students - 1 (no desire to invest) = 9 students - (9 / 3) = 6 possible students to acquire	
Customer Acquisition	Acquire 3 of these 6 remaining students	6 students / 2 = 3 students acquired.	Therefore, 3 in every 10 students are acquired as customers, or 0.3 students acquired per 1 student reached.
Number of students reached by campaign	100,000 target customer increase	/ 0.3 =	<u>330,000 students</u>

	Average university student population	Total Required Number of Students
	25,700 students ¹⁵	330,000 students
Number of universities needed.	330,000 / 25,700 =	13 universities

APPENDIX

How Can Wealthsimple Reach Their Customer Acquisition Goal?

Wealthsimple

MCMASTER

- Spread the word through DeGroot Commerce Society¹⁴
- Provide twice a semester Wealthsimple workshops through their clubs.
- Do not restrict entry to workshops to only club members.

QUEENS

- Spread the word through Commerce Student Organization¹¹
- Provide twice a semester Wealthsimple workshops through their clubs.
- Do not restrict entry to workshops to only club members.

WESTERN

- Spread the word through HBAA¹²
- Provide twice a semester Wealthsimple workshops through their clubs.
- Do not restrict entry to workshops to only club members.

U OF T

- Spread the word through RCSA¹³
- Provide twice a semester Wealthsimple workshops through their clubs.
- Do not restrict entry to workshops to only club members.

APPENDIX Required Components

CREATE MOCK INVESTING TOOL

- Put together a team to design the mock investing tool.

SPREAD THE WORD

- Use university clubs (specifically business ones) to inform students about workshops.
- Provide information through MyLS and equivalents

AVAILABLE TO ALL

- Open clubs to all students (not just Business) at time of workshops

CREATE EDUCATIONAL CONTENT

- Design the content that will be covered/used during Wealthsimple workshops at universities.

[illegible]

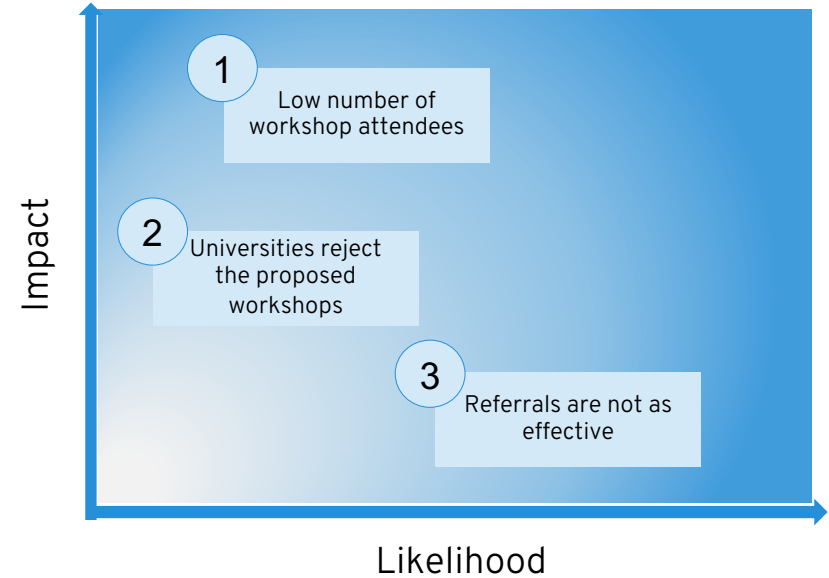
APPENDIX

Calculation of Costs

Expenses	Cost of Expenses
Referrals	$\$10 \times 100,000 \text{ students (for the referrers)} + \$10 \times 100,000 \text{ (for the new downloaders)} = \$2,000,000$
Development of Investment Simulator	Assumption of \$10,000 in labour costs since Wealthsimple already has the resources and apps and just need to allow users to buy without spending
Cost of Wealthsimple Trade Plus	Assumption of \$5 per student \times 3 months \times 100,000 students = \$1,500,000 since students will buy much less U.S stocks than a typical investor
Cost of Workshops	Assumption of \$5000 to each University to rent out space and \$5000 in labour costs for employees to run workshops. Cost = $(\$5000 + \$5000) \times 13 \text{ Universities} = \$130,000$
Cost of Contingency Plan (if necessary)	= \$5000 scholarship \times 13 universities = \$65,000
Cost of Advertising Workshops	Estimation of \$2000 per University since most advertisement will be in-person (e.g posters, MyLS announcements) rather than paid ads. = $\$2000 \times 13 \text{ Universities} = \$26,000$
Total Cost	= \$3,666,000 or \$3,731,000 (with contingency plan)
Total Customer Acquisition Cost	= $\$3,666,000 \text{ or } \$3,731,000 / 100,000 \text{ students} = \textbf{\$36.66}$ or \$37.31 (with contingency) acquired customer

APPENDIX Risks, Mitigation, and Contingency

	1	2	3
Mitigation	Advertise live streaming and recording of workshops which allows for at-home viewing.	Show workshop success when proposing this plan, through feedback that was collected from previous workshops.	Implementing a minimum number of hours that a user needs to use the app before getting the reward will ensure users test key features of the app first.
Contingency	Improve competitiveness of the simulator and offer scholarships as an incentive for participation	Hold workshops outside of universities and advertise through social media to attract a Gen Z audience.	Change the referral reward to something food related as that has worked for Wealthsimple previously. ¹⁶



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