

 BlinkX Brainathon : Strategic Synergy Challenge

# SUGGESTIONS FOR STRATEGIC PARTNERSHIPS

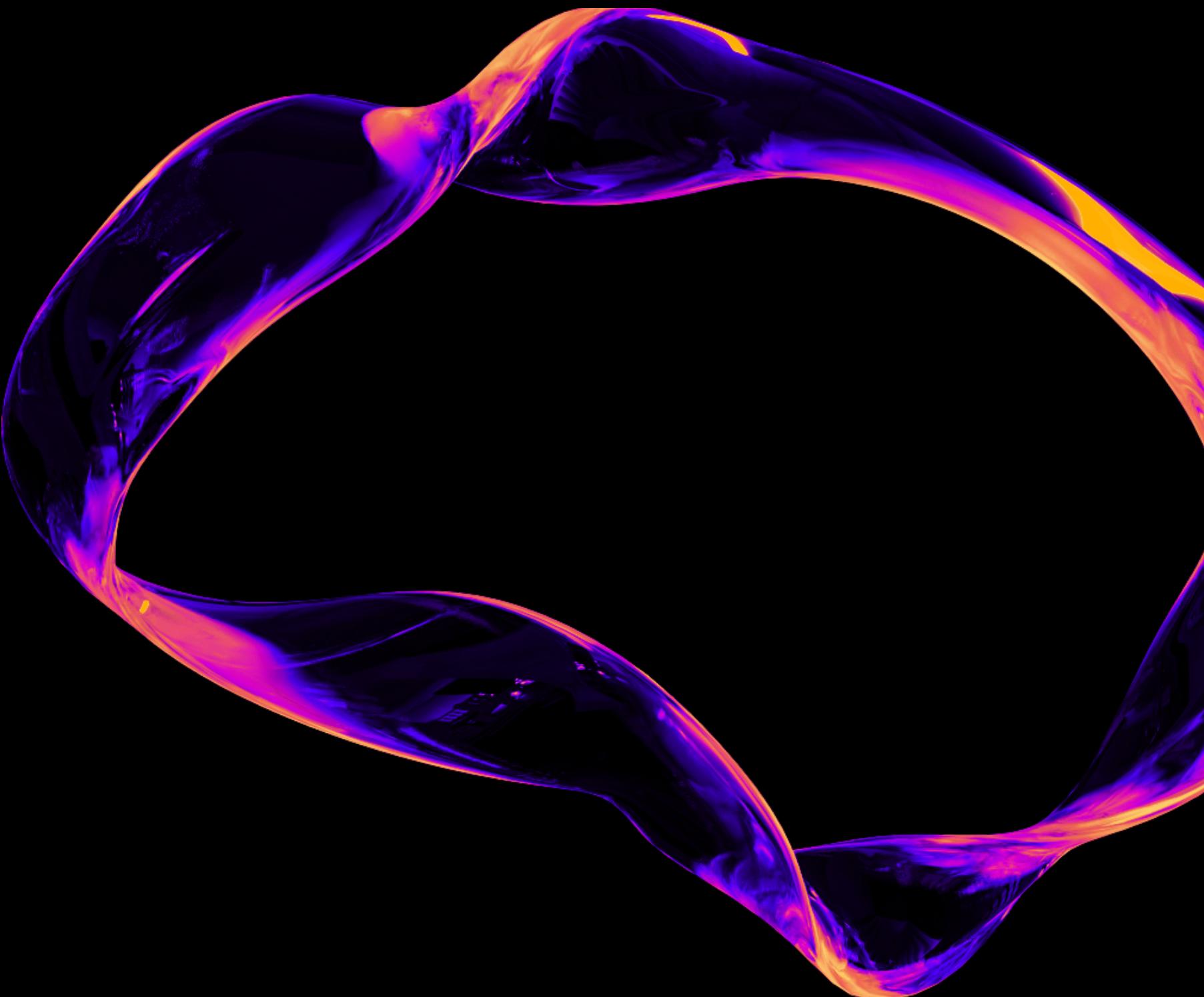
Indian School of Business (ISB)

Team Synergy Wynergy

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# EXECUTIVE SUMMARY



## Weakness Identified

Lack of **US equities investments**, causing **product gap** to incumbents

## Opportunity Missed

**Growing interest in US equities amongst Indian investors** due to increased awareness, disproportionate AI stock returns

## Strategic Partners

Vested Finance

## Expected Synergies

Access to highly desirable US equities investment product **without significant operational and regulatory legwork**

**Poorly differentiated** BlinkX Wealth product in crowded market with **no unique asset classes**

Increasing awareness amongst retail investors about **alternative asset classes and the returns they offer**

Grip Invest

Alts such as startup equity, corporate leases, and bonds for BlinkX Wealth users at low ticket prices as a **key differentiator**

No **retail API** access, live **algorithmic strategy** support, no **backtesting tool**, **limited learning resources** making product less attractive to intermediate and advanced traders

Indian markets are quickly catching up to developed markets in % of trades being algorithmic, retail investors are also aware.  
**More skilled traders are more likely to remain profitable and remain customers**

AlgoTest.in  
QuantInsti

Backtesting tools would **attract advanced investors**, deep integration of AlgoTest products into BlinkX's API before launch would allow for a class leading product from the get-go.  
Backtesting credits and QuantInsti on-demand courses would **increase value prop of BlinkX subscription**

Behind competitors such as Zerodha (Varsity outreach program for rural woman) and Groww (Investment Habit of Women survey) in terms of **outreach to women investors**

Share of women in the workforce is increasing YOY, up to 37% from 23.3%, 5 years ago. Yet 65% of equity investors are men, causing a **vast untapped market of women investors**

LXME (India's First Financial Platform for Women)

Targeting women specifically, not only meets **social objectives**, but also allows BlinkX to create new customers and **grow its user base**. It does so more easily by leveraging the female trust in LXME brand.

## STRENGTH

- Unique **subscription based pricing** model for demat app, transparent fees, no hidden charges.
- Class leading, digital, hassle-free **onboarding process**.
- Backed by **JM Financial** and their 50+ years of trust, 10 lakh+ clients, and 88,000Cr AUM.
- Intuitive, snappy **user interface** with customisable dashboards for users to trade how they want.
- Well defined **content marketing strategy**, with articles about most commonly searched finance topics.

## OPPORTUNITY

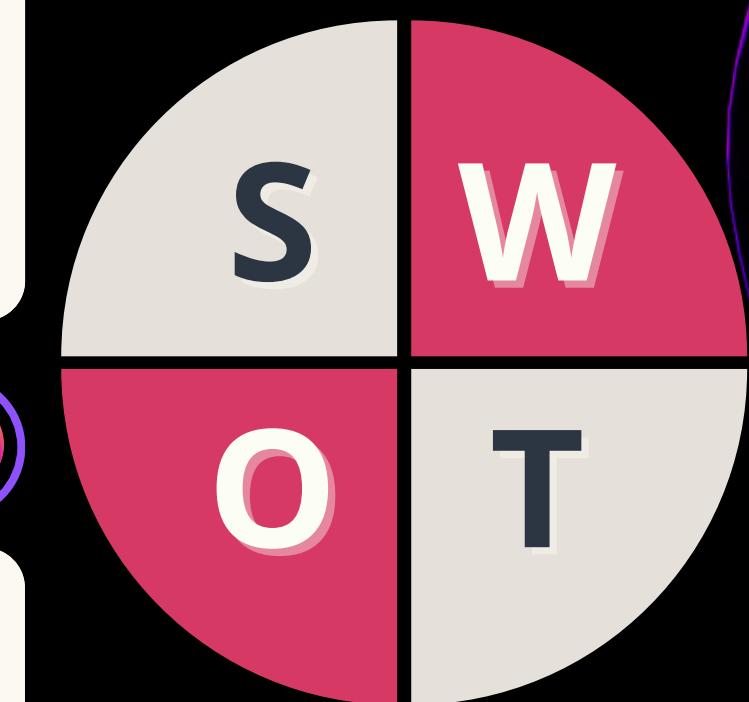
- 41% of equity investors are **innovators or early adopters** of new products and thus they are **more likely to welcome new age ideas** which aren't yet pervasive.
- **Rising household incomes**, especially amongst the college educated has allowed **more new investors** to participate in the capital markets than ever before.
- Currently **65% of equity owners are male**, which means there is a **large untapped female market** that fits the **educated and tech savvy demographic** which can be onboarded.

## WEAKNESS

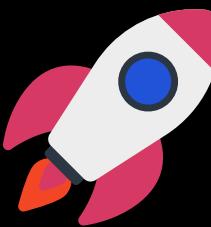
- Inability to trade in **US equities**, causing a **product gap** against incumbents such as IndMoney.
- BlinkX Wealth is an **undifferentiated product** in a crowded market, **no unique asset classes** or stand-out features on offer.
- Lack of **desktop trading interface** which hinders use of charts and other analytical tools, **inconveniencing advanced traders** who would benefit from **subscription based pricing**.
- No API access for retail investors.

## THREAT

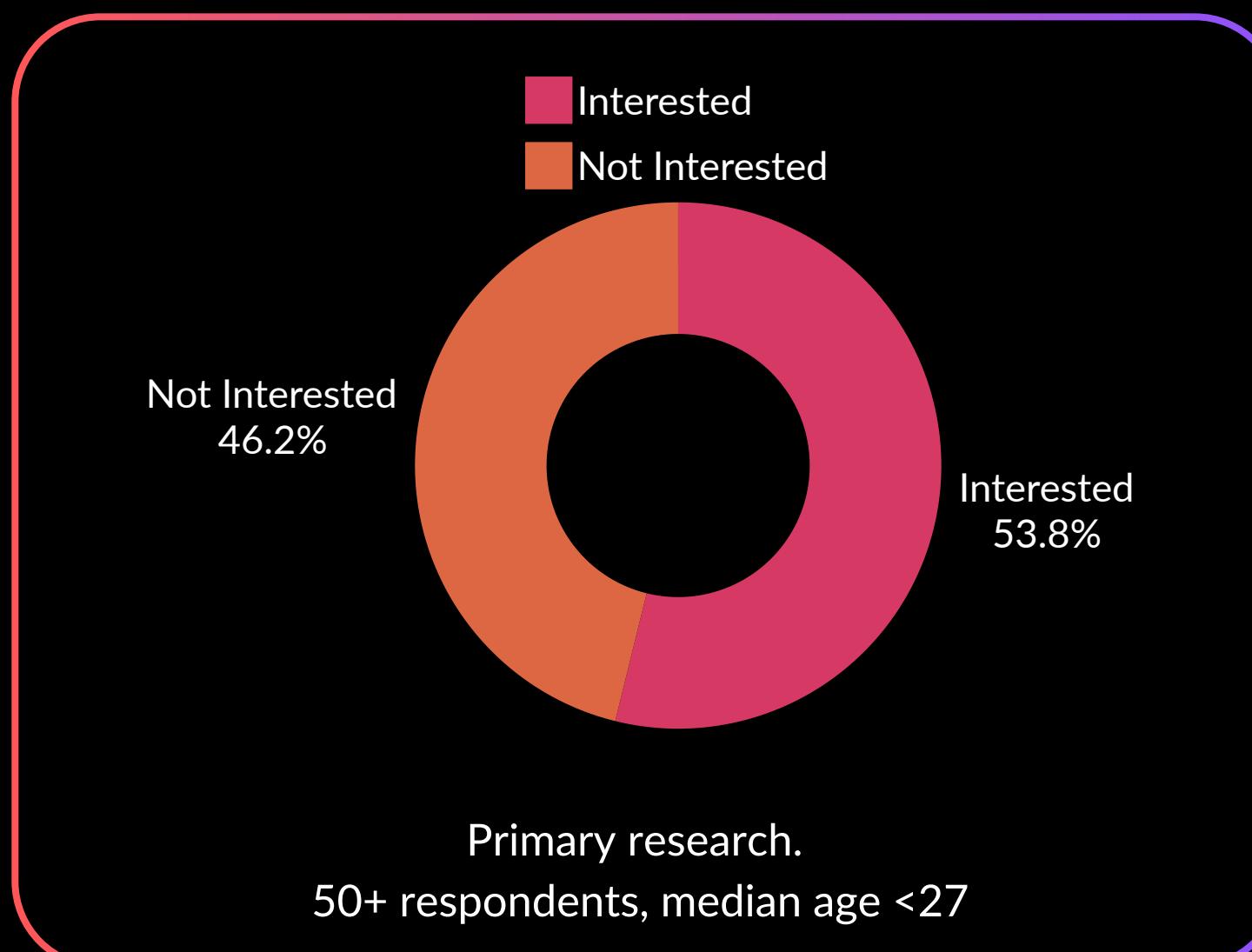
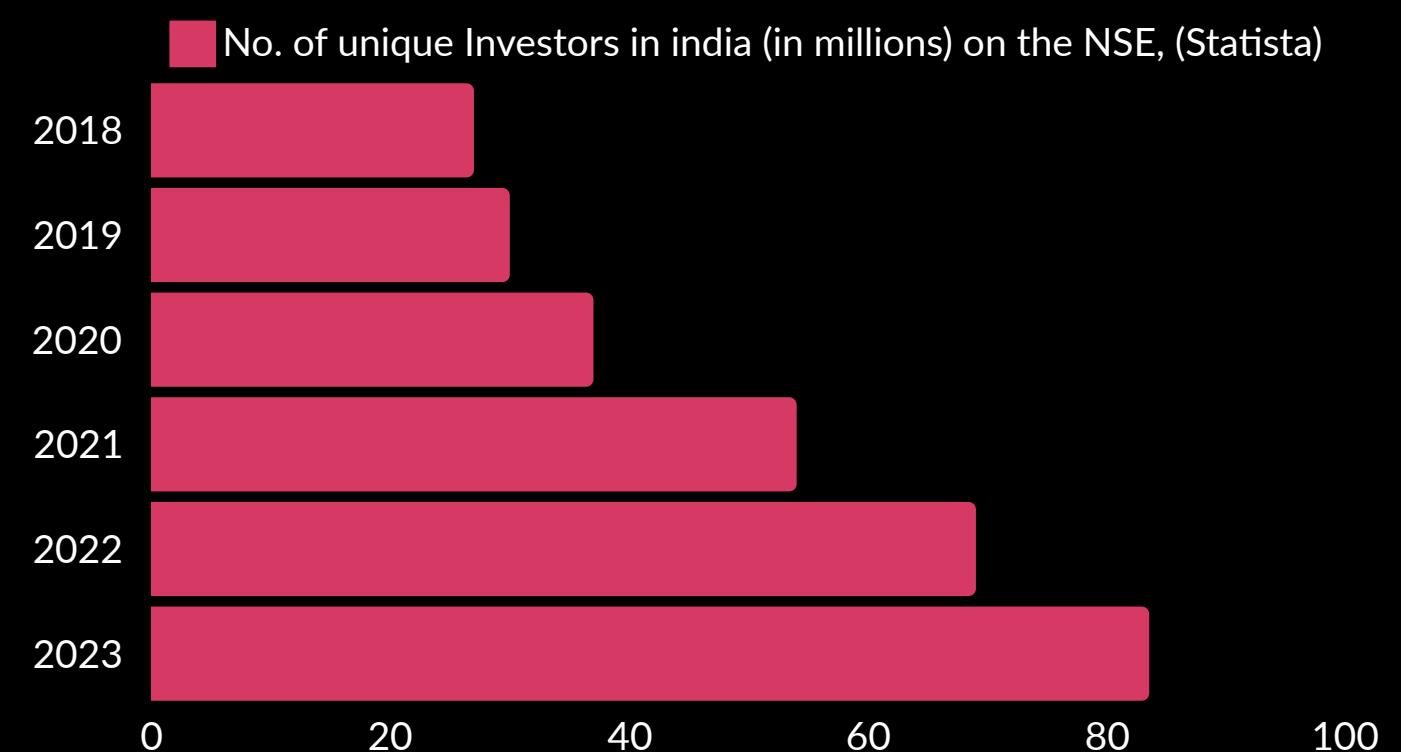
- **Macroeconomic headwinds** and **geopolitical tensions** causing **volatility** and hurting investor sentiment.
- These factors, coupled with **rising interest rates due to inflation**, may lead to flight to safety, thus further decreasing trading activity.
- Constant threat of **regulatory changes** and fickle policies in the Indian fintech context.
- BlinkX has a **small market share** in an extremely saturated market, with entrenched incumbents having established customer bases.



# STONKS



(or why Indians want to invest in US Equities)



## Increasing Financial Literacy

- The advent of *cheap internet access* and the boom in *financial content* on platforms such as YouTube and Instagram has led to an increase in financial awareness and literacy amongst Indian millennials and gen Z.
- Rising household incomes*, especially amongst the college educated has allowed more investors to participate in the capital markets.

## The Appeal of US Equities

- Top 7 US Equities* (the magnificent seven) represent a disproportionate share of the global equities market, and are continuing to rise as a result of the *AI disruption*.
- More Indians than ever are coming online, and thus want to invest in the tech products they use daily. (*MAANG stocks.*)
- Events such as the *GameStop saga*, and the rise of *r/wallstreetbets subreddit* has led to more young Indians being interested in and aware of US equities.
- There has been increased interest in news coming out of the US and its impact on the stock market, especially owing to the upcoming *US presidential elections*.

# PARTNER 1: VESTED FINANCE (FINANCIAL INSTITUTION)



Vested

## VESTED FINANCE

- Largest *standalone* US market equities investment product targeting Indian market.
- Founded in 2018.
- Over 200,000 unique investors.
- 1800+ crore worth of deposits.
- 750k+ app downloads, *over \$1B* in trading volume.
- *Subscription based* premium plan, allowing fractional investment in shares.
- *NRIs* form a large portion of user base.
- Funded by the likes of *9Unicorns, Wedbush Ventures, OVO Fund, TenOneTen, Karman.*

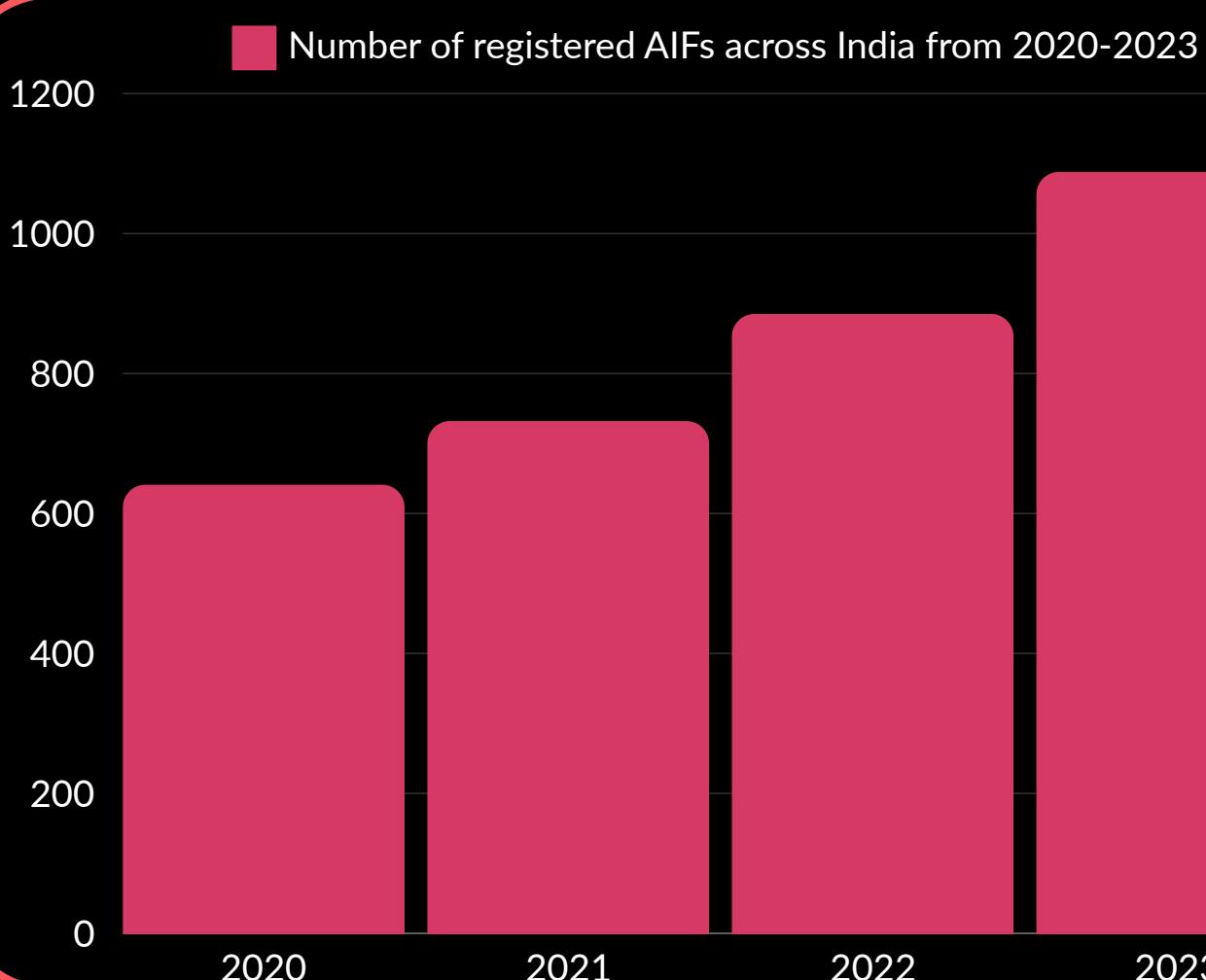
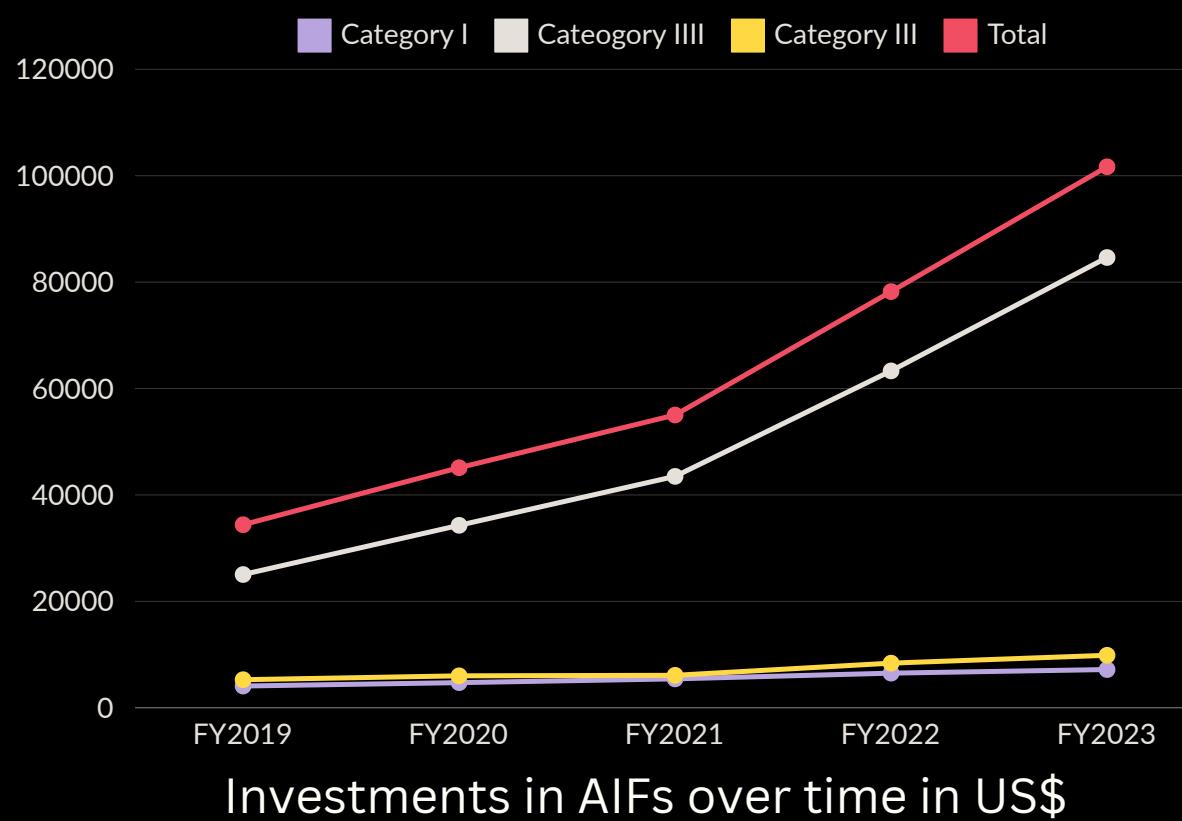
### SYNERGIES FOR BLINKX

- BlinkX would gain access to the highly desirable *US equities investment product, without* having to invest significant time and resources in overcoming the *technological, operational, regulatory, and compliance issues* associated with it.
- It would gain access to Vested's base of *NRI investors.*
- The pricing models would be synergistic, and BlinkX could *bundle the Vested premium subscription with higher tier subscription plans.*

### SYNERGIES FOR VESTED FINANCE

- Vested gains access to an Indian market investment product, allowing their *existing Indian customers* to move all of their investments onto *one platform*, and for all of their *NRI customers* to gain access to investments in the Indian Market.
- Vested as a *startup* benefits from *BlinkX's large user base*, and *JM Financial's reputation* as a trusted asset manager with a storied history.
- Vested is threatened by large players such as IndMoney adding their own US Equity investment product.

# Allure of Alternatives



## Global trends in Alternative Investments

- As of 2023, alternative investments had global **AUM of ~\$22 trillion**, accounting for about **15% of the total global AUM**, a notable increase from 6%, 20 years ago.
- JPMorgan forecasts demand for these assets to grow in 2024, driven by search for **higher returns in a low-interest-rate environment** and potential for **better performance during market volatility**.

## Why Alternate Investments matter right now

“Alternative investments represent **12% of India's AUM** and are the fastest-growing segment with a **24% compound growth rate**. ”

*-The Economic Times*

- As the geopolitical landscape continues to grow more volatile, the need for diversification in portfolios becomes of paramount importance.
- Wealth managers advocate the use of alternative investments for stability and enhanced returns.
- Thus, traction is growing rapidly in India.

# PARTNER 2: GRIP INVEST (FINANCIAL INSTITUTION)



## GRIP INVEST

- **Investor-first, technology-driven, transparency-focused** digital investment platform for **curated, non-market linked** alternative investment opportunities across the entire risk-reward spectrum that best cater to an investor's wealth creation.
- Mission to **give access to retail investors** which was previously restricted to 0.01%ers.
- Founded in 2020 by **Nikhil Aggarwal** and **Vivek Gulati**, it currently has **250,000 unique investors**.
- Funded by **Gemba Capital, Anicut Capital** and more.
- Various options include **corporate bonds, start-up equity**, and **commercial property** in one easy-to-use platform.
- **Small ticket amounts** which increase accessibility.
- Diversification through **pre-made baskets**.

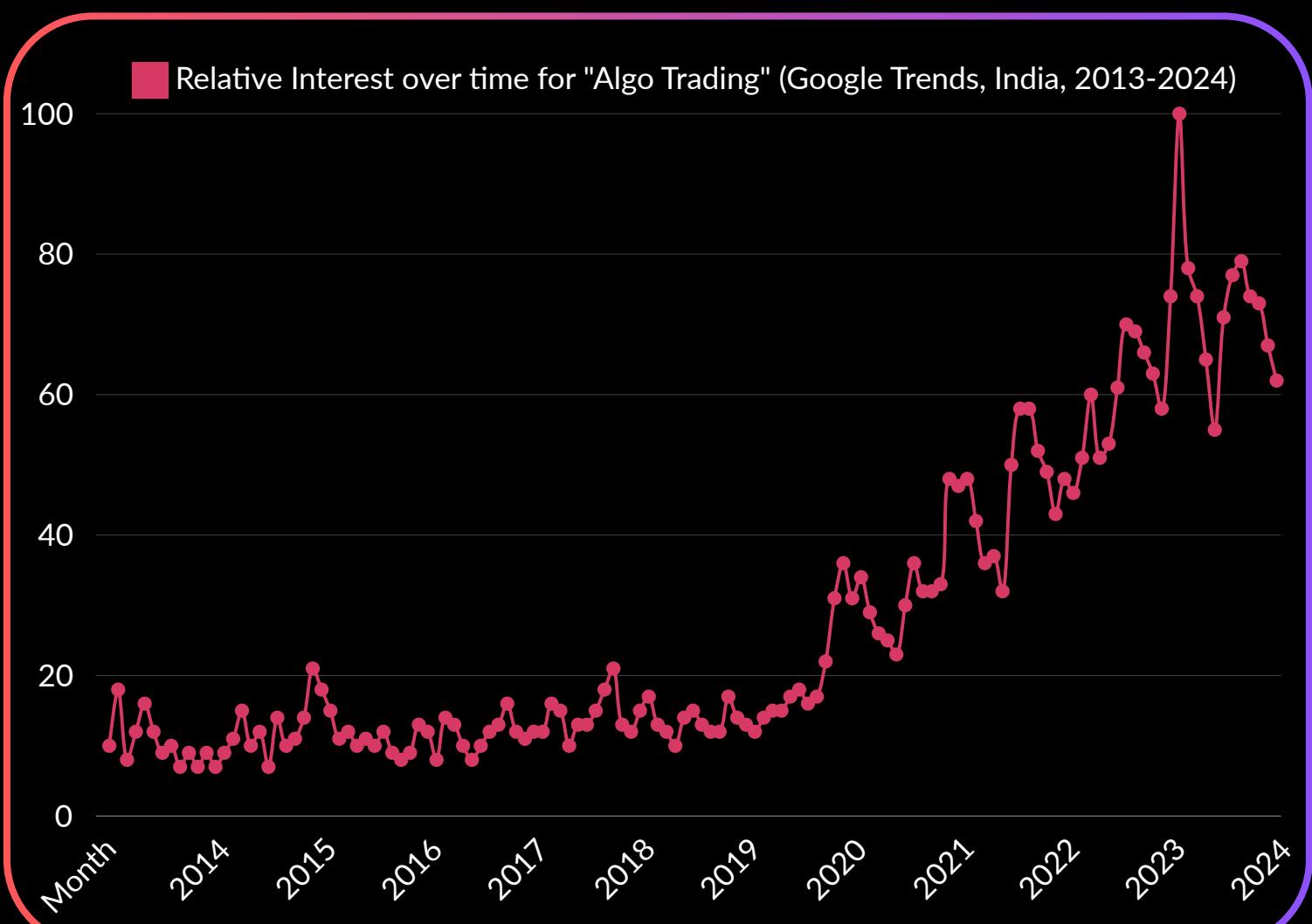
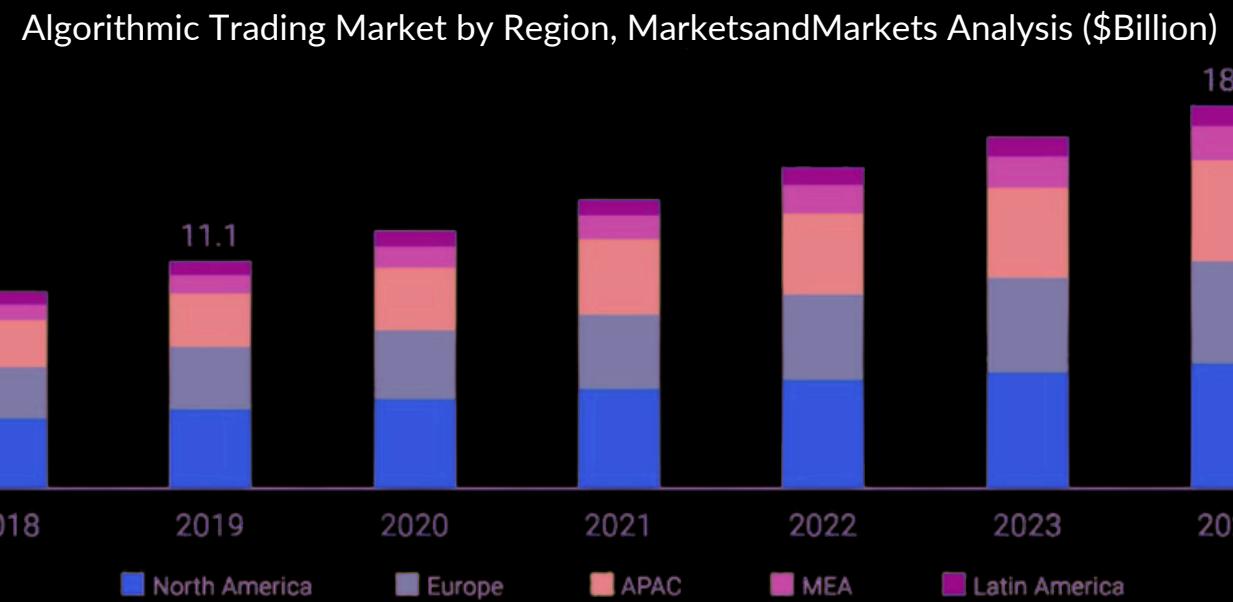
### SYNERGIES FOR BLINKX

- BlinkX Wealth would gain **access to Alternative Investments** such as property leases, corporate bonds, and startup equity, which are **asset classes with rising interest** from retail investors.
- It would allow BlinkX Wealth to **differentiate** itself from the incumbent investment apps by offering unique asset classes, **without investing in the operational and regulatory challenges** which come with providing these services at low ticket prices.

### SYNERGIES FOR GRIP INVEST

- Grip Invest taps into BlinkX's tech-savvy clientele, **mirroring its target demographic**.
- Grip as a web-only platform, would benefit from BlinkX's **mobile app**.
- Grip Invest, a fresh startup, benefits from BlinkX's **expansive user base** and JM Financials' **respected status** as a seasoned asset manager with a rich history.

# The Future is Algorithmic



## The Rise of Algorithmic Trading

- **Algorithmic trading** in India has experienced exponential growth, going from representing 9.26% of total turnover in 2010 to **more than 50%**.
- In developed markets, up to **85% of all trades** are made algorithmically, suggesting plenty of **headroom for the industry to grow further**.

## Retail Doesn't Want to be Left Behind

- High performance computers, low latency ticker data, and fast broadband access are increasingly becoming commoditised, allowing retail traders to also participate in algorithmic trading.
- **Multiple startups have emerged** targeting this market with features such as graphical strategy builders, options strategy makers, and paper trading playgrounds for traders to test their strategies.
- Brokers are also increasingly providing **well documented API** access to retail customers.

# PARTNERS 3&4 : ALGOTEST.IN & QUANTINSTI

(Technology; E-Learning Partner)



## ALGOTEST.IN

- YC backed startup founded by ex-HFT traders.
- Mission to democratize access to backtesting tools for retail investors at a fair price.
- Credit based pricing model, with 1 Credit = 1 Backtest = ~1 Rupee.



## QUANTINSTI

- Founded in 2010, today India's largest algorithmic trading training program.
- Operates joint certification courses with IIM Lucknow, the NSE Academy, BitBNS, and also operates a Singaporean subsidiary.

### SYNERGIES FOR BLINKX

- A partnership with AlgoTest, *offering a set number of credits per month* would make BlinkX an attractive option to *traders utilizing algo-strategies*, who would also *benefit from the unlimited trades from a subscription model*.
- A deeper partnership now, before the rollout of BlinkX's retail facing trading API would allow for a *cohesive, feature rich product to be built leveraging AlgoTest's live strategy functionality*, providing BlinkX with a *class leading differentiator*.
- QuantInsti's on-demand algo-trading courses would be a *synergistic value addition to BlinkX's subscription*, and would *shore up gaps in educational content to competitors*.
- It would also provide new traders the skills to remain profitable, and thus *reduce customer churn*.

### SYNERGIES FOR ALGOTEST AND QUANTINSTI

- AlgoTest would get access to *recurring monthly revenue* depending on the nature of the partnership, against their *current per credit model*.
- QuantInsti would get access to BlinkX's userbase, providing them much *greater reach*.

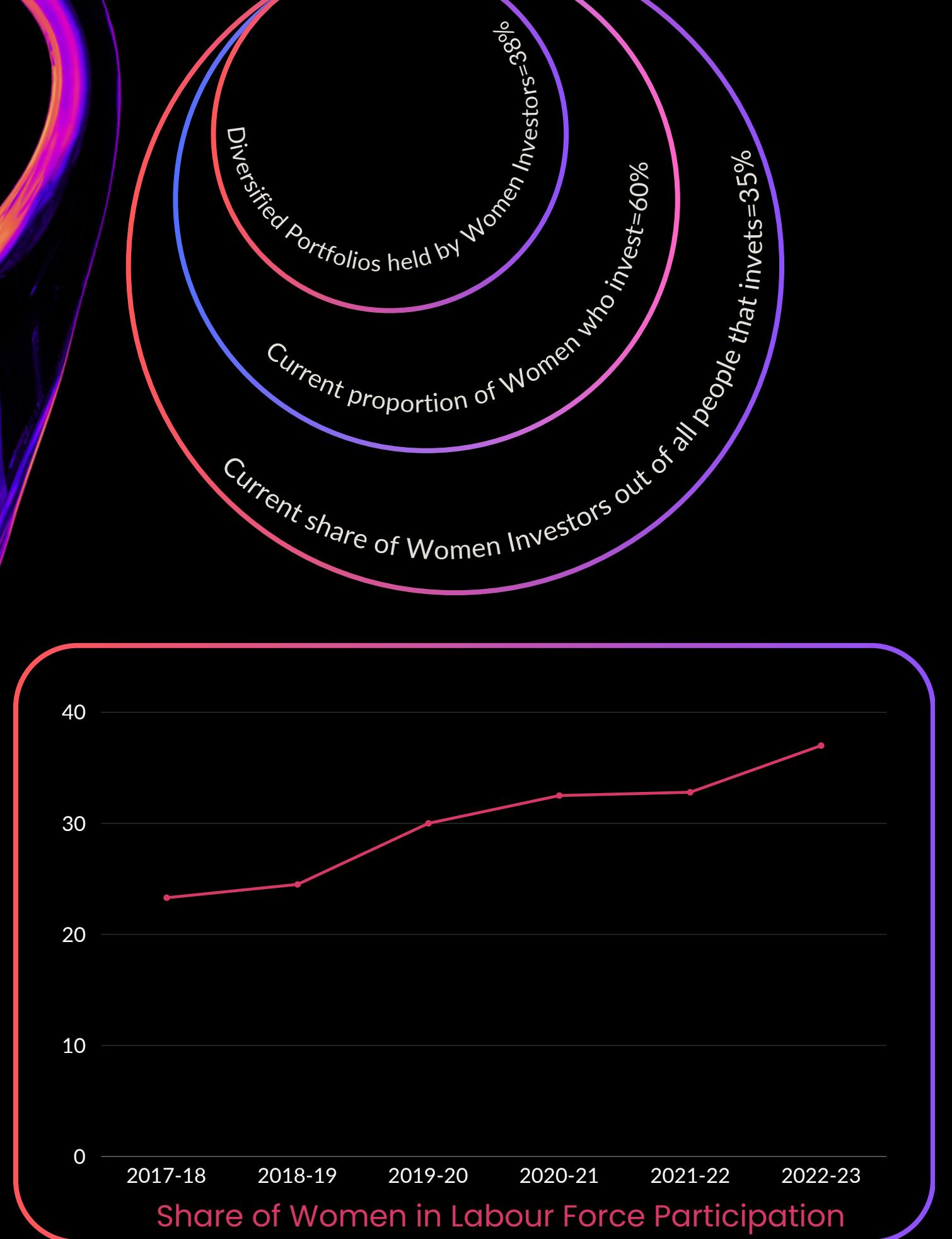
# Women of Wealth

## Increasing participation by Women

- Current share of female investors is **only 35%**.
- **Only 60% of women currently invest**, leaving 40% to still explore and join the world of investing.
- However, this share is not only growing but also becoming more sophisticated. Now, **38% of female-held portfolios are diversified**, compared to 16% two years ago.
- Gen Z, followed by Millennials, are increasingly **striving for financial freedom**. This is in line with more women entering the working population and taking control of their own finances.

## Why targeting Women matters

- A large group of women still aren't a part of the investor community. It is much easier to onboard them to BlinkX than to convince users who are accustomed to other apps to switch.
- Specially targeted **Women centric initiatives** are required for this.
- Women have specific investment needs which are different from men, however these are never addressed openly.



# PARTNER 5: LXME

(Financial Institution; Digital Community Partners)



India's 1st Financial Platform for Women

## LXME

- India's first financial platform for Women.
- Advocates financial freedom through financial literacy for Women.
- **Empowers women to take control of their own money**, simplifies complex topics through an intuitive platform, and fosters collaboration and learning while ensuring data security and safety.
- Founded in **2018** by **Priti Rathi Gupta** and **Ridhi Kanoria Doongursee**.
- **Specialised and curated Mutual Funds for Women** and their unique needs.
- **Easy and quick loans for Women**, allowing access to funds promptly.

## SYNERGIES FOR BLINKX

- BlinkX will be able to tap into the largely ignored Female segment and thus gain **access to tech-savvy, prosperous individuals** who can be onboarded.
- This would increase engagement in the app, particularly through the **community** feature offered by LXME which connects over **50,000+ women**.
- Quicker onboarding of Women through LXME's **Financial Bootcamps** which increase literacy.

## SYNERGIES FOR LXME

- Even though LXME has been around longer it still has **~200,000 customers**. By integrating with BlinkX, its popularity can increase, allowing faster growth.
- LXME currently only offers Mutual Funds and FDs as investment products. With this partnership it will be able to offer a **wider range of products**.
- LXME would also gain more trust with the association with JM Financial brand name,

# ADDITIONAL PARTNERS: ASTROTALK, TIMESPRIME

(LIFESTYLE PARTNERS)



## ASTROTALK

- Founded by a former software engineer at the behest of an astrologer.
- Wide range of astrology services via a user friendly app interface, over 3+ crore customers and 13,000+ astrologers.
- Pricing per consultation session, alternate spin off apps created for targeted demographics.



## TIMESPRIME

- Subscription based lifestyle membership program; offering access to a wide variety of 3rd party subscription offerings across entertainment, dining, travel and online services.
- Over 1 million subscribers, access to over 20+ subscriptions, singular subscription price of Rs 1199.

### SYNERGIES FOR BLINKX

- 44% of Indian's believe in Astrology, with a significant proportion *using it to inform their financial decisions*. It makes up 32% of the non-core news consumption in India .
- A *co-branded financial horoscope* on the BlinkX app would increase impressions on the app and increase daily logins.
- Bundling a BlinkX subscription with TimesPrime would lead to an *exponential increase in customer value*, and marry two different (but tangentially related) customer bases, with a potential for increase in customer usability depending on the nature of the partnership.
- Being added to the TimesPrime bundle would aid *brand recall* for BlinkX amongst *young, digital-native Indians*, and bring in new customers.

### SYNERGIES FOR ASTROTALK AND TIMESPRIME

- Astrotalk would get access to *recurring monthly revenue* depending on the nature of the partnership, over and above their current consultation/per session pricing.
- TimesPrime would get access to a *financial services product*, which is currently missing from their portfolio



# ADDITIONAL PARTNERS: PROBO, TICKTALKTO

(PREDICTION MARKETS; MENTAL WELLBEING PARTNERS)



## PROBO

- Founded by Sachin Gupta and Ashish Garg, backed by the likes of Sequoia Capital and Elevation Capital.
- Allows users to trade their *opinions* about real life events such as election results, YouTuber subscription counts, rainfall, etc, in a *prediction market* akin to a real life stock market.
- Accessible and educational tool intended for new traders.



## TICKTALKTO

- TickTalkTo provides a platform where individuals can access mental health support from psychologists and psychiatrists.
- The service offers secure chat and video sessions, aiming to improve mental wellbeing through research-backed therapy.
- They also provide evidence-based self help resources such as personal stress assessments.

### SYNERGIES FOR BLINKX

- Integrating Probo's real life prediction market into the BlinkX app would be a value add for BlinkX's advanced traders, as it would *allow them to hedge against real life events such as election results* and macroeconomic events directly.
- Opinion trading would allow an on-ramp for novice traders and *passive investors* to dabble in *active trading*, as they would be doing so with things they are *already familiar with* rather than stocks and other complex instruments.
- Trading is an *inherently stressful activity*, with *20% of professional traders* at hedge funds reporting *considering quitting* due to mental health concerns, day trading is likely to be *even more stressful for retail investors* managing their own money. Thus, an integration with *TickTalkTo's self help resources* would be a *useful value add* for BlinkX's customers.

### SYNERGIES FOR PROBO AND TICKTALKTO

- Probo would gain a *user base of seasoned traders*, and would also be able to position their product as a *prediction market* rather than a betting substitute.
- TickTalkTo would benefit from access to a new user demographic, who might not have considered therapy.

# ADDITIONAL PARTNERS: TICKERTAPE, UNLISTEDKART

(NEWS; FINANCIAL INSTITUTION PARTNERS)



## TICKERTAPE

- Comprehensive investment analysis platform founded in 2018, offering detailed data, tools and stock insights.
- Over 5 million users, comes with a free tier and a subscription based premium tier offering advanced features and tools.
- User friendly and intuitive dashboard.



## UNLISTEDKART

- Investment platform for unlisted shares and for the secondary market, access to pre-IPO stocks.
- Completed transactions worth over Rs 500 crore with over 15,000 clients.
- Strong focus on transparency and neutral market analysis.

### SYNERGIES FOR BLINKX

- Value add to the current customer base, by having *easy access* to comprehensive research and advanced analysis via Tickertape.
- Growing customer base by potentially *bringing in more customers* who have access to investment ideas suggested by Tickertape.
- Growing awareness on unlisted shares as more and more working Indian's get compensated via ESOPs/stock options : *UnlistedKart customers = Potential future BlinkX customers*
- Opportunity to create a *two sided market place*, allowing BlinkX users to *both buy and sell ESOPs*.
- Opportunity for synergistic growth by partnering with both Tickertape and UnlistedKart *at once*, serving a customer's potential needs in investment research across *both listed and unlisted stocks*

### SYNERGIES FOR TICKERTAPE AND UNLISTEDKART

- Strong synergy with TickerTapes *monthly subscription model* complimenting BlinkX's subscription.
- UnlistedKart would benefit tremendously from an association with BlinkX through their association with JM Financial, as it would *increase customer trust*.

# THANK YOU!

## Team Synergy Wynergy

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**Indian School of Business (ISB)**

- Survey link for primary research on slide 4 :

<https://forms.gle/wJkxTbAwzfKv99yn9>

- Data for graph on Slide 4 (Statista): National Stock Exchange of India. "Number of Unique Investors on National Stock Exchange (Nse) of India from 2018 to 2023 (in Millions)." Statista, Statista Inc., 21 Dec 2023, <https://www.statista.com/statistics/1463421/india-number-of-unique-investors-on-nse/>

- Data for AIFs on slide 6 (two graphs): SEBI (India). "Number of Registered Alternative Investment Funds (Aifs) across India from 2020 to 2023." Statista, Statista Inc., 20 Jul 2023, <https://www.statista.com/statistics/881640/india-number-of-registered-aifs/>

- [https://assets.ey.com/content/dam/ey-sites/ey-com/en\\_in/topics/financial-accounting-advisory-services/2023/10/ey-fund-accounting-and-reporting-for-alternative-investment-funds-in-india.pdf?download](https://assets.ey.com/content/dam/ey-sites/ey-com/en_in/topics/financial-accounting-advisory-services/2023/10/ey-fund-accounting-and-reporting-for-alternative-investment-funds-in-india.pdf?download)

- Data for slide 6: <https://caia.org/content/january-2024-next-20-trillion-alternative-investments>

- Data on Alogrithmic trading on slide 8

<https://www.marketsandmarkets.com/Market-Reports/algorithmic-trading-market-179361860.html>

- Data for trendline on slide 8 : Google trends for keyword "Algo Trading", with geographical location set to India and from the timeframe of 2013 - 2024

- Data for trendline on slide 10:

<https://pib.gov.in/PressReleasePage.aspx?PRID=2004075>

- Data for graphs on slide 10 (two graphs):

<https://www.livemint.com/money/personal-finance/three-ways-in-which-women-investors-are-different-from-men-11709914801102.html>

<https://www.statista.com/statistics/983020/female-labor-force-participation-rate-india/>

- Data for Trader Mental Wellbeing (Slide 14):

<https://www.fnondon.com/articles/traders-head-for-exit-over-mental-health-fears-3f2019e2>