

PayTM

Suggestions for improvements in the PayTM App

Context:

The aim of this document is to identify areas of improvement in the PayTM app, for improving the overall user experience, brainstorm solutions to solve the problems, and prioritize the solutions. The features are meant to generate the maximum value for users, increase user engagement and open up new avenues for monetisation and cross selling if possible.

Identifying Opportunities for improvement:

Opportunities in Trading and Investing :

- 1. Cryptocurrencies** : Cryptocurrency is a rapidly growing asset class which people want to invest into. PayTM can leverage its user base and trust to bring cryptocurrency to the mainstream in a market like India.
- 2. Financial instruments** : PayTM already enables investing in Gold via PayTM Gold. There is a huge opportunity to extend investment across commodities, stocks, mutual funds etc. to the large user base of PayTM. Stocks traded in Foreign markets can also be traded through PayTM.
- 3. Personalised Investment Advice** : For users interested in getting professional guidance on how and where to invest their capital, this feature can be introduced. Choices for favoured investment agencies can be given to the user as per reviews, portfolios held by collaborating with third party investment agencies. In-house agency can also be developed.

Opportunities in Financing :

- 4. PayTM Financing Services** : With the database of user transactions, spend patterns that PayTM has, it can make better, more informed decisions regarding financing. PayTM either itself, or with the help of a third party can introduce Financing Services for both individuals and businesses. Here, users would have a detailed analysis of each of the available options without any hidden charges.
- 5. Peer to peer lending** : Peer-to-peer (P2P) lending enables individuals to obtain loans directly from other individuals, cutting out the financial institution as the middleman. Introducing P2P lending would enable PayTM to provide an alternative to traditional banks or a better rate than banks offer while deciding the rates and terms for the transactions. PayTM can charge a small amount as transaction fee for these transactions.
- 6. e-Mortgage** : An eMortgage is a mortgage document that's digitally originated, transferred and stored. Just like the conventional mortgages, lenders can sell them to mortgage companies if they meet certain requirements. PayTM can provide an easy, convenient, safe, secure and environment friendly way to its users for mortgaging their properties or assets, adding an important, high value, recurring use case to its portfolio.
- 7. Crowdfunding** : An interesting addition to PayTMs existing set of services is financing via crowdfunding. Individuals, NGOs, businesses etc can run a crowdfunding program on and verified by PayTM for specific causes. The crowdfunding program can be maintained as transparent as possible for users on PayTM.
- 8. Goal Based Saving Buckets** : Another interesting way of financing is saving goals. These are the targets that users set for themselves and then plan how to achieve them. For example, if a user has a goal of saving Rs 1,00,000 for an iPhone, a separate bucket would be created for the same and the goal would be achieved with a combination of savings and investments.

Miscellaneous Opportunities :

9. In App Games : In order to increase engagement for users on PayTM and gamify the rewards process, in app games can be introduced on PayTM. The resulting rewards can be offers/cashbacks/coupons or the game itself can be a type of fantasy league(multiplayer online game)

10. Opening Bank Account through PayTM : A bank account is required to complete transactions from PayTM. Though PayTM has launched it's own PayTM Payments Bank, it misses out on some key services like cash withdrawal from ATMs, absence of physical branches etc. A feature can be built within PayTM to submit the documents and open a bank account in any of the partner banks without actually visiting the branch. This can ease the process of opening bank account.

11. Providing banking services : In collaboration with banks, PayTM can provide a single platform for both transactions(which it already has) and banking facilities like managing current account, savings account, requesting for credit/debit card etc. This would negate the need of the user to use two different apps, PayTM for transactions and official bank app for banking services. Also, the experience for the user can be improved in this way.

Prioritizing Opportunities using RICE Score:

Rank	Category	Problems	Reach	Impact	Confidence	Effort	RICE Score
1	Financing	No Goal Based Saving Buckets	5	4	4	2	40
2	Financing	Lack of Peer to peer lending	4	4	5	3	26.67
3	Miscellaneous	Banking services not accessible through PayTM	5	4	3	4	15
4	Trading and Investing	Lack of Personalised Investment Advice on PayTM	3	3	3	2	13.5
5	Miscellaneous	Unable to open Bank Account through PayTM	5	2	4	3	13.33
6	Trading and Investing	Unable to invest and trade in various Financial Instruments through PayTM	3	3	4	3	12
7	Financing	Unable to access Financing Services through PayTM	3	4	3	3	12
8	Financing	No e-Mortgage services	4	3	4	4	12
9	Financing	Lack of Crowdfunding facility on PayTM	3	4	3	3	12
10	Miscellaneous	Lack of In App Games	3	3	3	3	9
11	Trading and Investing	Inability to invest in Cryptocurrencies through PayTM	2	4	2	5	3.2

Based on the RICE Score, we can conclude that solving the problem of no goal based savings bucket on PayTM would provide the maximum value to the user as well as PayTM. Analyzing the top 2 problems, and brainstorming solutions to solve these problems :

Brainstorming solutions :

Problem	Solution	Features
No goal based Savings Bucket	Implementing a goal based Savings Bucket	<ul style="list-style-type: none"> >Specific goals can be set and named. >Collects spare change into an investment account. >Invests money in a portfolio based on income and goals. >Calculates the amount that can be saved and sets it aside >Time based investments >Incentivizes the user if a particular target is achieved.
Lack of peer to peer lending	Peer to peer lending through PayTM only for PayTM users	<ul style="list-style-type: none"> >Borrowers background verified by PayTM >Seamless Matchmaking of lenders and borrowers >Risk assessment and deciding interest rate >Credit Score > Transparency regarding transactions and proper payment approval, monitoring, claim process
	Peer to peer lending facilitated by NBFCs	<ul style="list-style-type: none"> >Investors Sign Up >Background verification of borrowers >Finding a banking partner >Seamless integration with the documentation for the NBFCs >Document Scanner

Prioritizing solutions using RICE Score:

Solution	Reach	Impact	Confidence	Effort	Rice Score
Implementing a goal based Savings Bucket	5	5	5	3	41.66666667
Peer to peer lending facilitated by NBFCs	3	4	4	5	9.6
Peer to peer lending through PayTM only for PayTM users	3	4	3	5	7.2

Implementing the solution:

Implementing the feature of “Goal based savings bucket” on the PayTM app for Android and iOS.

1. Problem

Absence of customized savings bucket on PayTM platform.

2. Target Customers

All the existing and new PayTM users, whether they have decided what to do with the money, or

not, can use the “Goal Based Savings Bucket” feature. PayTM can bring this feature to the mainstream and also cater to the higher saving tendency of Indians as highlighted in [this report](#) which states Indian households’ savings including cash, bank deposits, and investments remained higher than 13% of the GDP for the FY 2021.

3. Impact

Enabling “Goal based savings buckets” would help PayTM get valuable data regarding customer preferences, their saving patterns, using which they can be offered personalized investment options. This would directly increase the control of PayTM on the financial decisions made by the users. This would have a great impact on the offers/rewards which would be streamlined as per user saving goals.

4. Goal

The initial target would be adoption of the feature where at least 25% of the PayTM users would have at least one savings bucket. Secondary metrics would include total savings goal amount / time taken to complete, frequency of savings added, users choosing personalized investment services offered.

Solution:

The Goal Based Savings Bucket would provide the user :

- Ability to name and set specific goals (for example, Buy iPhone for Rs100000),
- Collect spare change into an investment account(with the permission of user),
- Invest money in a portfolio based on income and goals(with the permission of user),
- Calculate the amount that can be saved and predict the time it would take to achieve the goal at the current rate,
- Create joint goals with family or friends
- Incentivize the user if a particular target is achieved,
- Integrates the savings bucket with other PayTM offerings like PayTM Gold, PayTM Mall etc.

5. Alternatives:

Competing solutions include [Acorn](#) and [Qapital](#). Implementing the feature on PayTM would be beneficial because not only it would cater to a much larger existing set of users, but also be more effective as PayTM already has the data of user spendings, and preferences. As users are already paying bills, booking flights and shopping using PayTM, they would be more likely to open a savings bucket on PayTM rather than keeping a separate app like Acorn or Qapital for it.

6. Risks

Possible operational risks include bugs in the software, data breaches in the transactions, security related issues, frauds. The financial risks include the amount of savings getting reduced due to an investment giving negative returns. There can also be regulatory risks surrounding privacy concerns regarding sensitive data of users.

7. FAQs

- How would the feature be launched?

The feature would be launched as an app update on both Google Play Store and Apple App Store. We're targeting to keep the update size less than 50MB.

- Would there be any minimum criteria for users to start using the feature?

Apart from login, there would be no other requirements to start savings using the feature. If investments are to be enabled within the savings bucket, then documents required (including PAN Card, KYC registration) to start investing for other PayTM services would be required.

- Is there any limit for the savings goal?

There is no minimum or maximum limit for the savings bucket. User can put in Rs 1 to any number upto 10 digits as savings goal.

- What are the benefits of this feature for the user?

Apart from being able to save money for some specific goals, users would also get rewards/cashbacks/offers for the goal which they have set incentivising them better. It would help users achieve their financial goals faster.

- How is predicted time calculated for any savings goal?

The time estimated to reach a certain goal is estimated on the basis of amount and frequency of money added, average return on investments (if investments are enabled) and the amount of the goal(for example if the goal is buying an iPhone 12 and the price of the phone comes down from 75,000 to 60,000 the predicted time would reduce)

- How would conflicts be resolved if a user wants to withdraw from joint goals with family or friends?

If a user chooses to withdraw from a joint goal, he/she would be refunded the share contributed till date and investment gains accumulated for their share. Once withdrawn, the user has no right on the savings bucket and cannot rejoin that particular group.

- How is predicted time calculated for any savings goal?

The time estimated to reach a certain goal is estimated on the basis of amount and frequency of money added, average return on investments (if investments are enabled) and the amount of the goal(for example if the goal is buying an iPhone 12 and the price of the phone comes down from 75,000 to 60,000 the predicted time would reduce)

Summary :

We identified some areas of improvement in PayTM App, prioritized them on the basis of their RICE score, brainstormed solutions for these problems, prioritized those solutions and devised a strategy to implement the solution of introducing Goal Based Savings Buckets to PayTM.