LAZYPAY

App Breakdown

Product-

Lazypay App is a popular 'Buy Now Pay Later' (BNPL) platform that has expanded in other sections like:

1) Providing Offers on certain apps by Payment Wallet.

2) Personal loans up to 1lakh.

3) Scan QR or Pay online directly using Lazypay credit.

Business- LazyPay helps users use Credit easily for payments/loans.

1) BNPL(Based on your Credit limit)-

   a) Data- Tracks User behavioral/spending data

   b) Revenue-Collects fine for late payments.

2) Providing Offers by Payment Wallet-

   a) This is basically for Customer Acquisition and satisfaction(ease of making payments).

   b) Tracks User behavioral/spending data for those particular apps as well.

3) Personal loans(Online)-

   a) Revenue generated on interests.

   b) Collects and analyses user behavior and loan repayment habits with other personal data.

4) Credit Shield-

   a) Collects Credit card transactions for analysis.

User Persona-

Mohit- One who needs instant credit and is able to repay.

- Age- 22-35 years old
- Profile- Student- Computer Engineer (Mumbai)
- (Based on data, core users of BNPL fall in 20-30yrs of age who are college-going students and need instant credit.Tier 1 and Tier 2 cities (Residents of India))
- Avid Smartphone user with active internet accessibility.
- Likes- Fast, Cheap and Efficient systems.
- Unique points- Detail-oriented, Not a risk taker

As a young engineering student, Mohit uses,transacts and orders/books from online products and services a lot. What he likes about Lazypay is the instant credit and hassle free repayment.
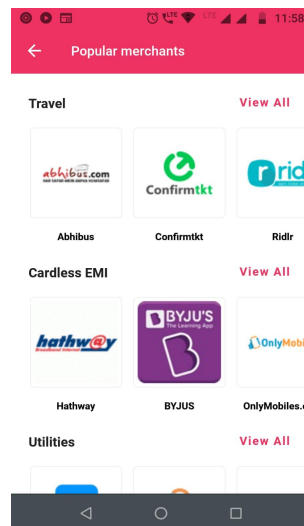
Can more Mohits be acquired? Has Mohit reduced his app usage due to some problems?

Let's look into all that.

Product Opportunity (Major pain points faced by Mohit and other users like himself):

#User journey#:

1) Users are not able to click on listed tabs and shop from the merchant websites listed in LazyPay's 'Popular Merchants' section. (Unclickable tabs)

2) Inaccessibility of features to user:

a)The user saw the ad for the personal loan/credit shield feature but is not able to access those features in the app. Only-app users are still unaware of these options.

b)Scan QR option is not accessible. (Only a few users are able to avail of this offer currently due to certain constraints.)

3) Offers:
   a) Didn't receive cashback even after availing of an offer.
   b) Not able to avail few of the listed offers under section 'Top Offers for you'.
   c) Few of the offers are irrelevant.

4)The user is not able to share his/her transactions through the app on social media/sms/mail.It looked difficult to people who use apps like SplitWise regularly too.

5) User frustrated after incompletion of feedback loop i.e not able to receive high credit after completing KYC, as Lazypay promised.
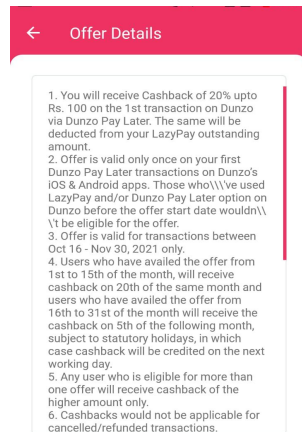
#Information architecture#:

1) The user is not able to avail certain functionalities like 'Share and Win' or know details about it.

2) Confusion about interest rate/fines while repayment of credit.

3) Not able to find the Cashback tab or how it works.

4) Less details about the Auto Pay feature in terms of security. User is not able to completely trust the service and feels confused to opt for it.

5) User has to scroll through a lot to check certain transactions from the list provided.
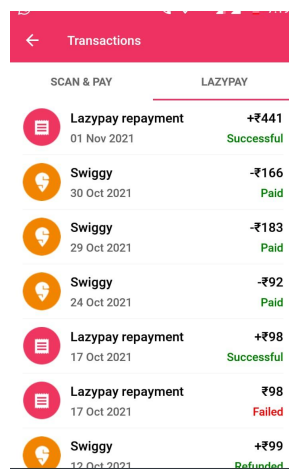
6) Unutilized space. Users are not delighted to see the empty/dull space.
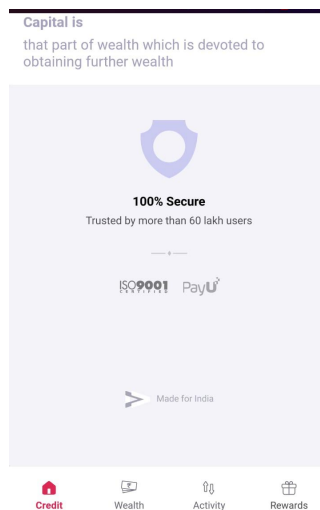
7) New users are unaware about terms like outstanding, credit limit, due date etc.

8) Offer details are not engaging to read for the user. Long paragraphs with small fonts are a complete turn-off.

1. You will receive Cashback of 20% upto Rs. 100 on the 1st transaction on Dunzo via Dunzo Pay Later. The same will be deducted from your LazyPay outstanding amount.
2. Offer is valid only once on your first Dunzo Pay Later transactions on Dunzo's iOS & Android apps. Those who\\\'ve used LazyPay and/or Dunzo Pay Later option on Dunzo before the offer start date wouldn\\\'t be eligible for the offer.
3. Offer is valid for transactions between Oct 16 - Nov 30, 2021 only.
4. Users who have availed the offer from 1st to 15th of the month, will receive cashback on 20th of the same month and users who have availed the offer from 16th to 31st of the month will receive the cashback on 5th of the following month, subject to statutory holidays, in which case cashback will be credited on the next working day.
5. Any user who is eligible for more than one offer will receive cashback of the higher amount only.
6. Cashbacks would not be applicable for cancelled/refunded transactions.

#Support#:
1) User not able to solve his/her queries in real time via chatbot/customer service.
2) FAQ section has long list of questions and answers which user isn't motivated to read through.
3) Less active/Passive users of the Lazypay app are unaware of the latest offers.

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Let's now prioritize the above given pain points based on certain parameters like-
1) Urgency
2) Importance
3) Satisfaction
4) Confidence

Sr. No.	Problem	Urgency	Importance	Confidence	Satisfaction
1	Unclickable tabs in the Merchant section	Medium	High	High	Low
2	Loan/Credit shield feature not available	Low	Medium	Medium	Medium
3	QR code(Scan & Pay) option not accessible	Very Low	Medium	Medium	Very low
4	User didn't receive cashback	High	Medium	Medium	Medium

5	Not able to avail few offers	High	Medium	Medium	Medium
6	Irrelevant offers displayed on top	Low	Medium	High	Very low
7	Lack of information for a particular transaction about fine specifically	High	Medium	Medium	High
8	Unshareable transaction details	Low	Medium	Medium	Low
9	Low credit limit even after KYC completion	Medium	Medium	High	Low
10	Unavailability of 'Share and Win' functionality and no details about it.	Low	Low	Low	Medium
11	Not able to find Cashback tab/details	Medium	Low	Medium	Low
12	Feeling of low trust for Auto pay feature	Medium	Medium	Low	Medium
13	Time taken to find needful transaction high	Medium	Medium	High	Low
14	Users not delighted to see blank screen at the bottom	Low	Low	Low	High
15	New users unaware of credit related terms	Low	Low	Medium	Medium
16	Offer details not engaging to read	Medium	Medium	Low	Low
17	No real-time chat service	Low	Medium	Medium	Low
18	Too much information in FAQs	Low	Medium	Low	Low
19	Passive users unaware of new offers	Low	High	Low	High

Based on the prioritization table above, we can focus on below pain points:

1) Unclickable tabs in the Merchant section
2) Lack of information for a particular transaction
3) Not able to avail few offers showed as applicable
4) Irrelevant offers displayed on top
5) Feeling of low trust for Auto pay feature
6) Too much information in FAQs
7) Passive users unaware of new offers

Now that we've prioritized the pain points, let's brainstorm certain solutions for them and add parameters to the same, making it easy to prioritize on the basis of the RICE framework.

1) Unclickable tabs in the Merchant section

Solution: Provide click throughs on these merchant sections which will redirect to the specific website/app.

- *Reach- 100:* Users can use LazyPay as an umbrella app under which multiple merchant platforms can be accessed
- *Impact-3:* High impact on Daily LazyPay users
- *Confidence-80:* Many people use Lazypay just to repay credit. Personalized marketing is required to improve confidence.
- *Effort- 1:* Doesn't require many backends on this.
- *Metric Impacted:* Conversion rate of Lazypay transaction

2) Lack of information for a particular transaction

Solution: Provide terms and conditions while loaning the amount to make options more clear.

- *Reach- 100:* Helpful to all
- *Impact- 1:* Some people won't need it again and again as terms would be clear after 1st translation itself.
- *Confidence- 100:* Once in a while people are bound to check this
- *Effort- 1:* Minimum data abstraction
- *Metric impacted:* Customer satisfaction

3) Not able to avail few offers showed as applicable

Solution: Deleting used/expired offers from the frontend section.

- *Reach-90:* As the offers will increase, personalization needs to be present and

will improve NPS too.
- *Impact- 3:* All users will be interested to receive based on user behavior/preferences/history.
- *Confidence- 100:* Essential for customer acquisition
- *Effort- 3:* High effort as in to make design changes and constantly use AI/ML to predict user interests.
- *Metric Impacted:* Drop off rate

4) Irrelevant offers displayed on top:
Solution: Personalized offers and showing only the relevant ones based on user activity and preference.

- *Reach- 100:* Everyone will use relevant offers and recommendations can be implemented after the same which will encourage users to keep using on.
- *Impact- 3:* This will have a high impact on active users as the offer section can keep rolling and they don't have to keep checking and applying them every now and then.
- *Confidence- 1:* Due to limited offers at Lazypay, the solution might go in vain unless new tie-ups with merchants take place.
- *Effort-1:* Low effort to track user activities and link them with backend and design.
- *Metric Impacted:* Conversion rate

5) Feeling of low trust for Auto pay feature:
Solution: Adding security and trust parameters and convincing the user how it's harmless and useful to do so.
- *Reach- 50:* All users who come to enter the payment section are able to view the auto pay section.
- *Impact- 2:* Some passive users who have a previous mindset won't enter to see or opt Auto Pay.
- *Confidence- 1:* Users who already trust certain features will have no significant impact. Passive ones won't enter.
- *Effort- 1:* Minor UI/UX changes needed.
- *Metric Impacted: Feature adoption rate*

6) Too much information in FAQs
Solution: Adding a search option.

- *Reach- 20:* Only few people will end up at support if everything works fine.
- *Impact- 2:* It will have a higher impact as the product resolves customer issues at the go and users don't have to wait for long to do it.
- *Confidence- 1:* People who face such issues will not directly go to churn but have a possibility of coming back if the issues are quickie resolved.
- *Effort-2:* Integrating third party tools for chatbots or dedicating a different team for customer support is high effort.
- *Metric Impacted:* User delight

7) Passive Users Unaware of latest offers

Solution: Highlighting the offers on the homepage or giving notifications
- *Reach- 80*: Active app users are aware.
- *Impact- 2:* Active users might increase due to increased awareness
- *Confidence- 100*: Given that the offers are easily shown and are accessible to the users, they will apply them.
- *Effort- 2:* Minimal design changes and algorithms for making these offers personalized.
- *Metric Impacted:* DAUs/MAUs

Based on the above solution prioritization- 'Personalizing the Offers' seems the right thing to do.

Value proposition: The existing(power and casual) users of LazyPay who use the app to repay the credit can checkout only those offers applicable to them and improve conversion rate and hence elevate their engagement.

Necessity: The number of merchants tying up with LazyPay to promote their products and offers is increasing. Soon there would be multiple offers displayed that are of no use to the user. Working on personalization has become quite common in the competitive landscape and is shown to work to grow certain metrics.

Based on user activity, divide the user into 3 **segments**:
1) Power users
2) Casual users
3) Occasional users

UX:

1) The Offer section that is displayed on the homepage, should get the attention of the user by constantly showing new offers or those which match with his/her data (Previous transactions, 3rd party data, Location etc.).
2) Used/Expired offers should not be displayed at all in the section as it might lead to low interaction and drop off.
3) Once clicked on the offer, it should redirect to the respective merchant app/website where the offer can be used directly.
4) 'New offer' tag can be displayed at the top of the respective New offers.

Release- This feature can be released for a particular set of users(Based on no. of transactions and its distribution) and A/B Testing can be done for the same. Engagement and Conversion Metrics can be compared for both the set of users.

Success metric:

1) Conversion Rate for offer usage
2) Avg Session length to browse offers in Offer section
3) Customer satisfaction score

Summary: Firstly by looking into Lazypay's business and identifying certain pain points that our user persona might face, few solutions were proposed by prioritizing the problems. Based on the solution prioritization and the potential metrics impacted by implementing those, finalization of the 'Offer Personalization' feature was done and looked into deeply. Here is a short product spec for the same.
📄 Prod spec prioritized solution .

###############################**EXTRA**###############################

<mark>POTENTIAL OPPORTUNITIES TO ACHIEVE BUSINESS GOALS</mark>

Business Opportunity (Major pain points)-
1) As we identified, the core users whom LazyPay provide credit/loans are-
=>BNPL- 20-30yrs of age/college-going students
=>Personal Loans- Salaried individuals

A major opportunity in this space is-

1) Increasing Revenue-

-Increasing interest rates on loans

-Increasing number of loans

-Reducing offers

-Adding interests on BNPL(even for small amounts)

-Increasing missed payment fines.

2) Increasing the Number of loans offered-

-Acquiring/Targeting more users/new users

-Reducing interest rates to attract more users

-Reducing the time of credit balance.

-Marketing in Tier 3 cities

We can focus on-

Increasing the revenue => Increasing number of loans => Targeting new user segment

The new user segment falls into the category of personal loans for students.
These are education loans/student loans that have a large market size in India(93000 crore in 2020).

- New user segment-
  a)Students who have to pursue higher education (bachelors/masters)
  b)Unable to pay tuition fees/hostel fees etc.(Age 18-30)
  c) Take up the responsibility on their own.

- Pain points-
  1) Personal:
    a) The user apart from tuition/hostel fees incurs other expenses while studying in college/university/diplomas/edtechs.
    b) The loan procedure takes a lot of time including many visits to different banks.
  2)Process:
    c) A whole lot of documentation is needed.
    d) Inability to provide collateral or accurate documentation in Tier 2-3 cities.
  3)Financial and support:
    e) High-interest rates on current student loans offered by banks.
    f) Less scope of negotiation.
    g) Low flexibility on repayment of loan's principal, interest, tenure, etc.

With the usage of AI/ML, a student profile can be judged on various parameters like the previous academic and work experience record, social status, college/university/diplomas/edutech ranking, chances of employment, risk score, etc.

- Opportunity-
  Fast Online student education loans-
    - Collateral-free
      (Credit Risk score of applicants based on above-mentioned parameters)
    - Less documentation
      (As most of the documents are linked, ask to upload necessary online)
    - Negotiable terms
      (Based on principal amount/tenure/college ranking etc.)
    - Customizable and negotiable repayment options.
      (Different buckets and interest rates based on the type of loan(tuition/hostel etc.))

- Competitive analysis and Risk-
    - Potential entry of existing fintech that provides online personal/business loans.
    - Physical Banks are preferred by many.
    - Existing Banking/Non-Banking lenders that provide online education loans.
    - Chances of increase in NPAs due to varying market conditions and other outliers.

Hence, a potential opportunity for LazyPay is to delve into the student education loan space(currently only for students studying in India) which will increase users generating a new line of revenue.