

Improving customer awareness and acquisition for smallcase's innovative stock market investing product

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Context

Retail participation in the Indian stock market has been rising at a rapid pace. In FY March 2021 alone, 1.4 crore new individual users opened demat accounts ([Source](#)). Smallcase currently caters to around 30 lakh retail users transacting over 12,500 crore. While we have been gaining traction at a rapid pace ([Source](#)), especially among the DIY and market savvy investors, a significant opportunity remains in tapping mutual fund investors (monthly equity SIP inflows ranging from 10,000 to 25000 crore), who would be willing, as well as could be nudged into semi-active form of investing through smallcases for increased returns.

User flow and pain points

Note that this is from the perspective of retail users and not from publishers of smallcases.

Discovery

1. With a focus on retail user growth, the Company could benefit from better communication of the job it does (considering the competition is investing through mutual funds). Show how investing through smallcase is superior with an analysis of returns net of fees and brokerage charges vs. mutual fund returns with its fees through expense ratios.
2. Users want to discover smallcases better and much more relevant to them. For a new user (not on-boarded through an Investment advisor for a specific product), finding smallcases among so many is difficult as there is limited information available. Few points to be noted
 - Criteria for sorting and filtering smallcases are very basic. Does not include market cap criteria, rebalance frequency, sorting by manager, etc.
 - No option to compare among different small cases. Lack of reviews or facts & figures to judge smallcase/manager performance.
 - Suggestions for smallcases to invest in not in sync with user requirements (the platform always pushes one smallcase to invest in)
3. The Company could also benefit from a better onboarding flow where it tries to understand user needs and suggest smallcases (Note that this is optional and a user can choose to go through this or on his own). It is understandable that the Company has developed a flow which takes the user through building core stable portfolio and a satellite smallcase for extra returns, however this is somewhat rigid and a quick questionnaire on understanding what user is seeking and matching the needs would improve the UX.

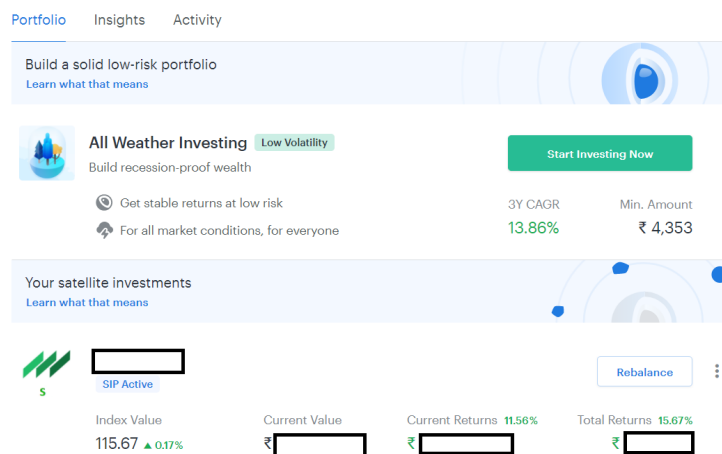
Purchasing/Selling smallcase

1. Users are confused on how to use the product and various options within it. Given smallcase is a fairly new way of investing in equity markets a new user would want to know how the product works.

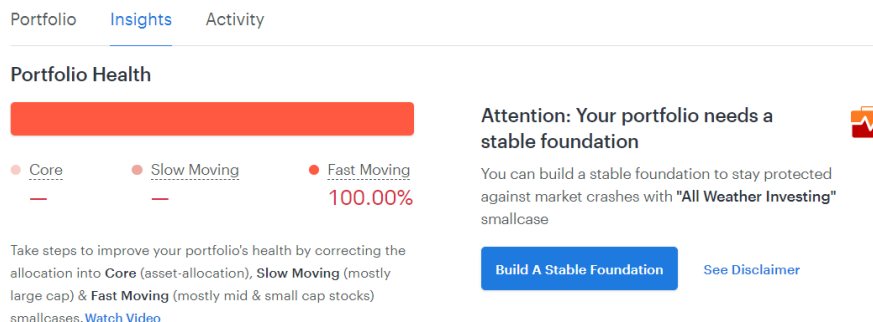
- While information is present in bits and pieces, an overall tutorial/ walkthrough on use of features is lacking
- Difficult to find answers with regards to queries regarding the function on the platform

2. Users want a clutter free and easy to understand UI. While pushing products is okay, excess of the same is distracting and reduces customer delight.

- For example below is the portfolio investment tab. It continues to push All Weather Investing smallcase as a core investment and puts my main investment in satellite investment section. They continue to push for the core-satellite investment philosophy without an option to opt out of this.



- The push is evident at a lot of unnecessary places in the UI. For example below it assumes that users dont have holdings apart from smallcase portfolio. Given they have access to the user's equity holdings at the broker. This seems a bit unnecessary or should be customized or have an opt in/ opt out



3. Users want transparency and disclosures. Given its a financial product, lack of information regarding fees, charges, returns, potential for losses creates a negative image in the users mind. A lot of negative reviews stem from people facing unexpected losses and charges. Few points below:

- Smallcase returns displayed do not include fees charged by the advisors. A simple disclosure or even a calculation of returns net of fees would be good to

have. Similarly a recommended portfolio size to justify the fees charged could be included.

- Smallcase claims free access to some of the smallcases, however it does charge a one time Rs100 + GST fee for every new smallcase, which is not mentioned upfront (you have to dig deep). A disclosure on the final subscription page would not take users by surprise later.
- One of the biggest challenges is when a user sells a stock through a smallcase which is already part of long term holdings with the broker (a reason for different buy prices shown on broker vs smallcase platforms), it sells the old stocks (this is per regulation and is not in the hands of the company). This completely disrupts users' holding price and incurs unwanted capital gains. A disclosure (or a better technological solution) of such issues is needed while placing orders.
- Incremental changes while rebalancing (small order of 1-3 quantity which do not impact portfolio by much) which generate unnecessary transactions and lead to brokerage/DP charges to be explicitly highlighted so users can take a call whether to go ahead with these changes or not

4. Users want consistent experience after login across web & app

- Search function functionality changes after logging in the web app (note that by design after login the user enters into broker's custom smallcase website, smallcase.zerodha.com), which offers a diminished experience as compared to smallcase's own website.

5. Users want flexibility in placing buy/sell orders.

- Option to place limit orders could be made available
- Ability to sell through broker and auto/manual update in smallcase portfolio. Currently not available and getting smallcase is cumbersome through support.

6. Users want to track and compare returns of purchased smallcase or portfolio of smallcases in a better way

- Note the difference/slippage between model portfolio vs because of timing of rebalance
- Post purchase performance details like comparison with model portfolio or benchmark index not available
- Could include XIRR calculation to understand annualized returns

Prioritizing ideas

We utilise the RICE framework for prioritization with some assumptions in place.

RICE Framework - The RICE scoring model is a prioritization framework designed to help product managers determine which products, features, and other initiatives to put on their roadmaps by scoring these items according to four factors. These factors, which form the acronym RICE, are reach, impact, confidence, and effort.

Formula - $(R \times I \times C) / E$

Evaluation scale

- 1) Reach: Potential percentage of users this solution will have an impact on.
- 2) Impact : 0.25- Minimal ; 0.5- Low ; 1- Medium ; 2- High ; 3 - Massive
- 3) Confidence on the solution: 50%- Low ; 80% - Medium ; 100%- High
- 4) Effort in man months : 1 for low effort items, 2 for medium effort items, 4 for high effort items

Scoring of problems based on RICE Framework

Sr. No	User journey stage	Sub Category	Problem	Reach	Impact	Conf	Effort	RICE Score
1	Discovery	Search	Criteria for sorting and filtering smallcases are very basic	100	1	80%	1	80
2	Discovery	Option evaluation	Very limited ways to compare among different small cases.	100	2	100%	2	100
3	Discovery	Discovery	Suggestions for smallcases to invest in not in sync with user requirements	100	3	80%	2	120
4	Onboarding	Onboarding	Rigid flow and does not try to understand user needs. Note this is optional	80	1	50%	2	20
5	Usage	Buying/ Selling	Information present in bits and pieces, tutorial/walkthrough on usage of features is lacking	80	1	80%	1	64
6	Usage	UI	Excess of the pushing product is distracting, clutters UI and reduces customer delight	80	2	50%	1	80
7	Usage	Transparency & disclosures	Smallcase returns displayed do not account for fees charged by the advisors	60	1	80%	1	48
8	Usage	Transparency & disclosures	Fee chargeable for free access not disclosed upfront	80	0.5	100%	1	40
9	Usage	Transparency & disclosures	Selling stocks disrupts users' holding price and incurs unwanted capital gains if stock is already held	60	2	80%	2	48
10	Usage	Transparency & disclosures	Incremental changes while rebalance not explicitly highlighted	40	2	50%	1	40
11	Usage	UI	Search function functionality changes after logging in the	50	0.5	80%	1	20

			web app					
12	Usage	Buying/ Selling	No option to place limit orders	60	3	80%	4	36
13	Usage	Buying/ Selling	Ability to sell through broker and auto/manual update in smallcase portfolio	60	2	80%	4	24
14	Usage	Tracking	No mention of difference/slippage between model portfolio vs because of timing of rebalance	40	0.5	50%	2	5
15	Usage	Tracking	Post purchase comparison with model portfolio or benchmark index not available	60	1	80%	2	24
16	Usage	Tracking	1-Day change, XIRR calculation to understand portfolio returns better	60	2	100%	1	120
17	Discovery	Marketing	Better communication of the job it does by showing how investing through smallcase is superior to mutual funds	100	3	80%	1	240

Based on the RICE analysis we prioritize problems 2, 3, 16 & 17 (highlighted in green). These are problems with a good mix of reach and impact with relatively low effort giving the best value for the effort put in.

Brainstorming ideas

Here, we prioritize solutions to tackle the sub-problems prioritized in the previous exercise. Highlighted ones are top 3 highest RICE scores

Sr. No	Problem	Solution	Reach	Impact	Conf	Effort	RICE Score
1	Better communication of the job it does by showing how investing through smallcase is	On the homepage provide return calculator (SIP & Lumpsum) comparing popular mutual funds returns vs similar themed smallcase returns net of fees	100	2	80	1	160

2	superior to mutual funds (Note: Here we only limit ourselves to changes in the product and not go into solutions such as advertising or social media marketing)	Highlight in a section on the homepage called 'Why Smallcase' with Pros & Cons a) Hidden costs associated with mutual funds vs. transparency that comes with smallcases, b) Cost comparison table c) Lockin period of both d) Ease of execution Also highlight semi active vs passive nature of each	100	3	100	1	300
3	Suggestions for smallcases to invest in not in sync with user requirements	Deploy a questionnaire on what the user is seeking to achieve through the investment, risk taking ability etc. and make suggestions based on that.	80	2	80	2	64
4		Connect the user with someone from the team of internal investment advisors	90	3	50	4	33.75
5		Once a user has transacted in a particular strategy based smallcase, using AI/ML suggest complementary small cases which could enhance returns/ reduce risk etc.	60	2	80	2	48
6	1-Day change, XIRR calculation to understand portfolio returns better (A sub problem of the broader tracking returns problem, because of its nature looks like solution disguised as a	Add 1-Day change, XIRR return calculation in addition to existing absolute return	60	3	100	1	180

	problem)						
7	Very limited ways to compare among different small cases.	Add a compare smallcase feature where users can select 3-4 smallcases and compare them on parameters such as advisor experience, launch date, total subscribers, risk/return parameters, etc	100	2	80	1	160
8		Add feature of rating of smallcases by users based on relevant criteria	100	3	80	2	120
9		Display upfront along with the smallcase, details such as fund size managed by the advisor, experience, market cap focus, Annualized as well as absolute returns, sector allocation, etc	100	3	80	1	240

Next we pick the solution with the highest RICE score and implement it.

Implementation

Objective

The project aims to increase sign ups by showcasing benefits of investing through smallcase vis-a-vis mutual funds & DIY investing using a comparison table in the 'Why smallcase' section on the homepage. We also plan to highlight the returns of smallcases through a spotlight section.

What are we building?

1. A new sub page on the homepage called 'Why smallcase'
2. A table (as below) to be placed in the section above with around 15 investment related judgement criteria on which investing styles of mutual funds, Do it Yourself investing and investing through smallcases could be compared.
3. A CTA with catchy tagline for investing in smallcases to be added on the page

4. Trending smallcases horizontally scrolling to be highlighted.

Why smallcase			
Feature	Mutual Funds	DIY Investing	smallcase
Lock-in period	✓	✗	✗
Hidden expenses	✓	✗	✗
Exit load	✓	✗	✗
Brokerage expenses	✗	✓	✓
Demat Required	✗	✓	✓
Knowledge of stock selection required	✗	✓	✗
Semi active	✓	✗	✓
Portfolio approach	✓	✗	✓
Portfolio transparency	✗	✓	✓
Portfolio control	✗	✓	✓
Professional fund managers	✓	✗	✓
Thematic Investing	✓	✗	✓
SIP option	✓	✓	✓
Ownership of stocks	✗	✓	✓
Instant execution and redemption	✗	✓	✓

Who are we building this feature for?

The change would be witnessed by all potential investors on the platform. Our research shows that while our website and marketing communicates well about what we are, investors also need an understanding of how we are better than the alternatives. Essentially, **it is for new users aware of smallcases, however have not signed up yet.**

Why build this feature?

- User Feedback
 - We have surveyed influencers who promote smallcases as well as collected user feedback ([Dummy link for survey](#)) and have identified one of the key themes around the queries to be 'Advantage of smallcases over mutual funds'
 - Users have also highlighted that they have to rely on external sources (blogs, videos, etc) to understand the key advantages and differences of smallcase over traditional ways of investing
- The BI team reports relatively high drop off on the homepage. Awareness for the product remains significant as reflected by an increasingly high number of page visits.
 - We have identified that changing a UI feature on the homepage would help address this issue. Further, based on user feedback we understand that users

are interested in finding more about smallcases as an investment option. If we provide this upfront we could decrease the delay in signup decision.

- Activation Rate for users who have visited the homepage is ~ **10%** for the last 3 months (July - September), with no visible external factors in play impacting the same

Activation Rate: no. of user sign-ups / No. of users who visit the website * 100

3. Business Impact

- Higher user activation will help the users discover the value of the product. It aligns with our business goal of 'Stock investing done right'
- Investments through mutual funds is a huge market and is competition for us. If we convince users to adopt our superior way of investing it would lead to increased adoption for our product.

Main User Stories

- As a new user, I should understand investing through smallcases vs. other investing modes in order to be well informed about what I am signing up for
- As a new user, I need to understand reasons to leave existing mode of investment and adopt smallcase
- As a new user, I would like to have comprehensive information at one place, in addition to my own research and getting advice

Goals of this feature

- Decrease the decision delay between site visit and signup by providing upfront information users might be seeking for the same
- Persuading users to take the signup action through the CTA

Success metrics

- **Activation Rate** increases by 5%(become 15%) from the current value of 10%
- **Click through rate** of the Login CTA button
- **Click through rate** of the spotlight smallcases
- **# number of impressions** of the table vs. homepage page views

User Flows

[Sample clickable mockups designed in Figma](#)

Walkthrough for Designers

The core design objectives of the UI feature are:

- The color theme, table design, font type and size, etc. should match with the themes on rest of the pages
- The sample shows the key elements to be included in the page. We can however, play around with the positioning of the heading, the table, the symbols, and the CTA button section based on aesthetics
- The content within the table is final in all respects as these are the key criteria we have identified for comparison.

- The spotlight section is similar to what we showcase in the discover smallcase tab. However, here we need to concentrate on the returns and highlight them.

Walkthrough for Engineers

The key points with respect to development of the feature are:

- The CTA button for Login to invest should take the user to Login page
- The spotlight section should be automatically scrolling horizontally. When a user moves to the spotlight area the scrolling should stop. Additionally, in the dropdown for the option to select the timeframe of returns, we need to include since inception, 1 year, 3 year. For smallcases with less than 1 year of inception, we include calculation based on time period since it has been active
- The smallcase name should be clickable and takes to the respective smallcase page

Out of Scope for now

- Currently, the feature is to be rolled on the website to check traction. Mobile app roll out to be planned accordingly in the future.
- Inclusion of video to explain the points highlighted in the table

Roll-out-Plan

- October 10 - Approval by all stakeholders
- October 14 - Deployment A/B test
- October 30 - Testing ends, results to be shared within next two working days
- November 5 - Result review and next plan based on conclusion

We run A/B test for 15 days to check the efficacy of change. With a conclusive positive outcome we deploy the change and measure performance for 3 more months with a target of 15 % increase in total signups

Risk

Risk	How do we spot it?	How do we mitigate it?
Users are furthermore confused by the detailing and leads to decision paralysis	Impressions of the page are high however the CTR of the Login button placed in this page is low	If such a situation persists, we would reduce the number of criteria in the table and limit ourselves only to showcasing the key benefits