

**THE
PRODUCT
FOLKS**



Product Strategy to shift Household spends transactions from Parent driven to kid driven

A Product Teardown Case Study

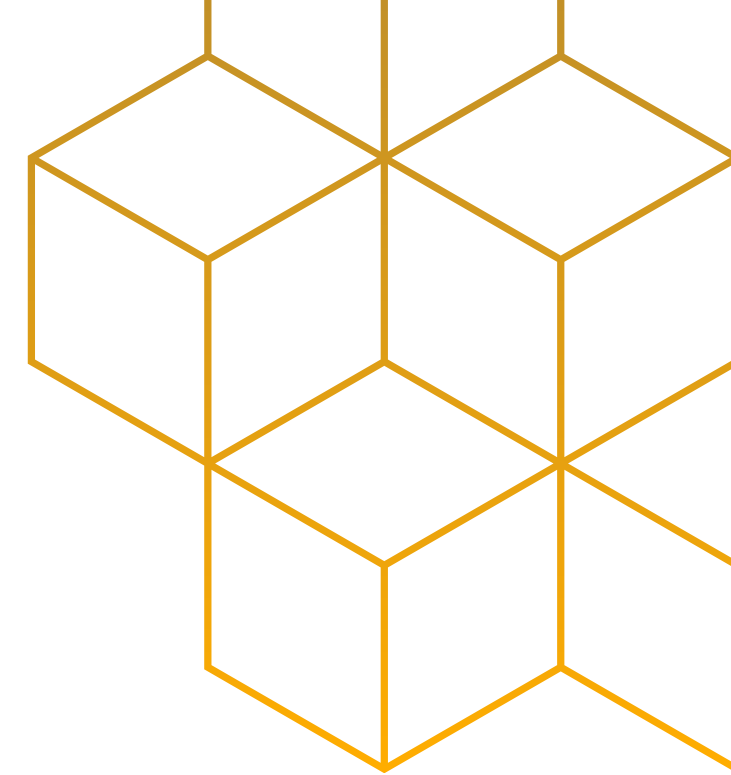
-Vidyasagar Chamle

About Fampay

- Founded in 2019, FamPay delivers India's first mobile payments app for teenagers. Per the company, Fampay's aim is to provide financial literacy to teenagers, who traditionally have limited options to open a bank account in India at a young age.
- After gathering consent from parents, FamPay provides teenagers with an app to make online purchases. It also provides plastic cards that are numberless for offline transactions.
- Users - Over 3M registered users and 150K FamCards in circulation
- Competitors

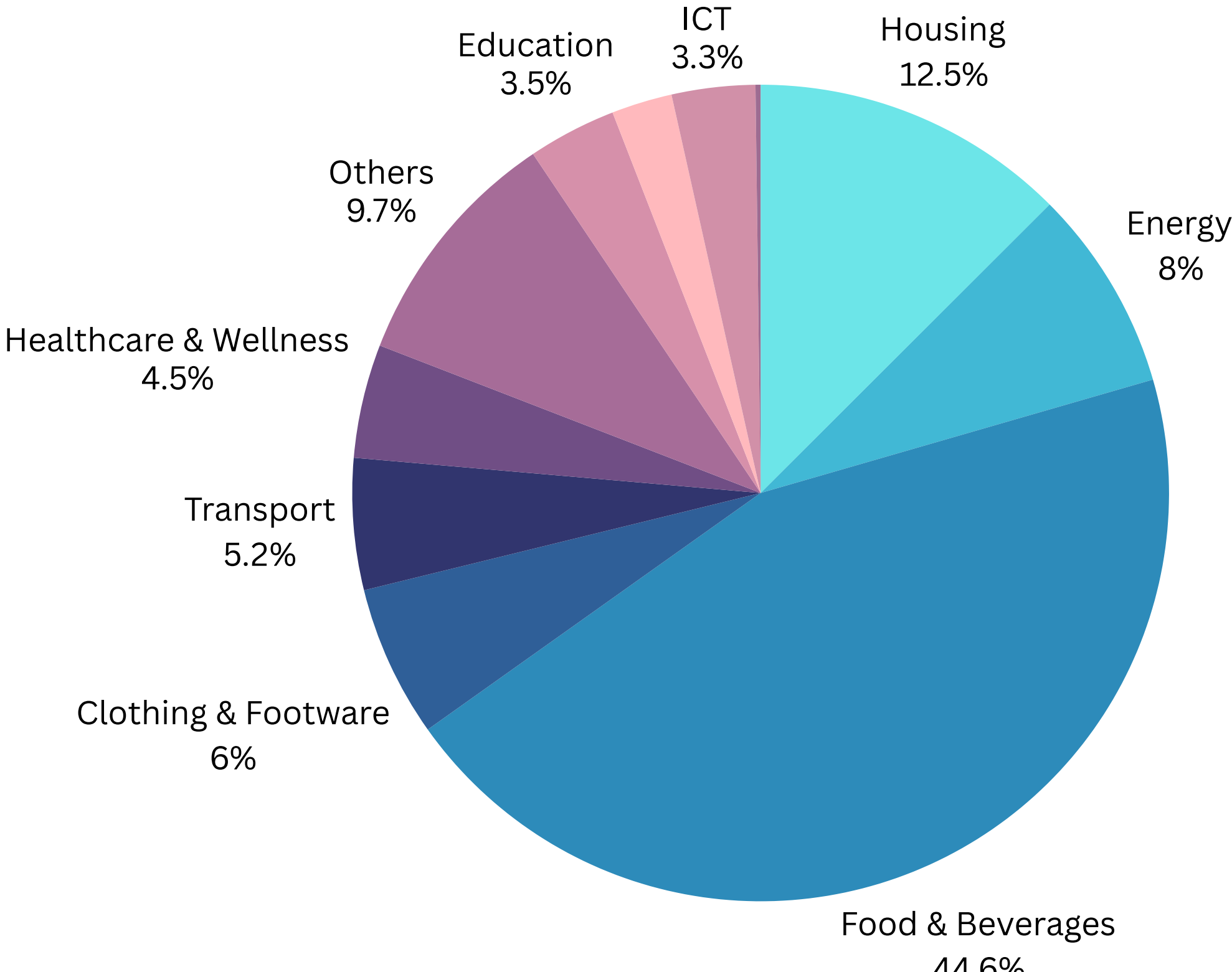


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Understanding Indian Households

As per World Banks report , below pai chart shows how Indians allocate their money for different types of expenditures over the course of a month



Sector	India %	Other Countries %
Food and Beverages	44.60	40.74
Housing	12.50	10.72
Others	9.70	10.85
Energy	8.00	5.14
Clothing and Footwear	6.00	6.05
Transport	5.20	12.20
Health	4.50	4.13
Education	3.50	2.38
ICT	3.30	3.26
Personal Care	2.40	2.00
Water Utility	0.20	0.95
Financial Services	0.00	1.55
	100	100

80%+ goes here

73%+ goes here

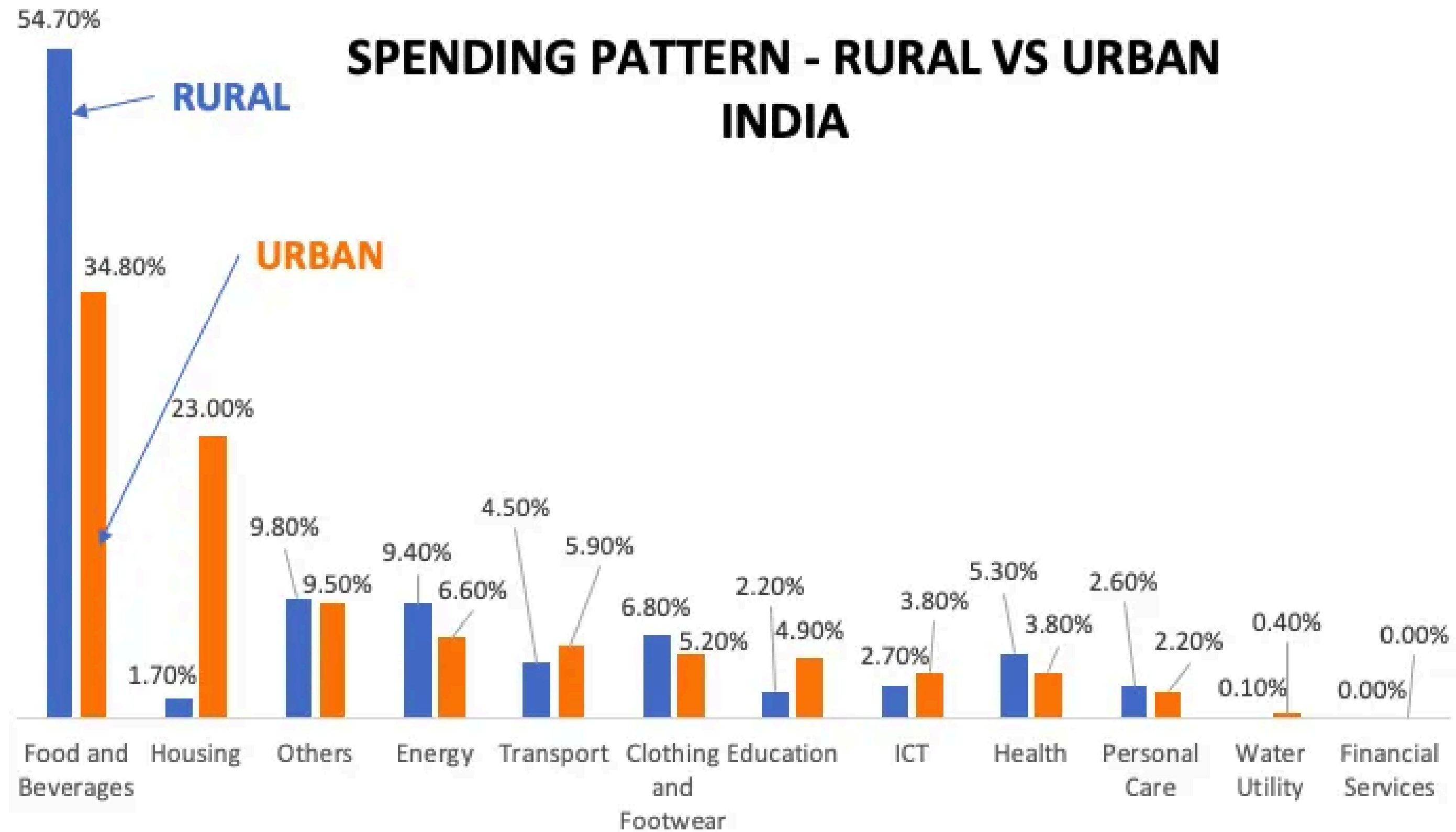
Infographics showing Indian household spends in comparison with other countries





80% of whole monthly household expenses goes into first 5 categories

- 44% goes into Food & beverages which includes rice, cereal, flour, bread, bakery, meat, poultry, milk & its products, edible oils, fruits, vegetables, groceries, water, soft drinks, juices, spirits, wine, beer, take home orders etc
- 12.50% goes into Housing which includes actual rent paid, imputed rent, house maintenance, purchases like fridge, washing machine, wardrobes, dishwasher, vacuum cleaner, water heater, air conditioning, household tools etc.
- 9.70% goes into Others which include home furnishing, household repairs, electric appliances, utensils, tools, non-durable goods (like soaps, washing powder etc), domestic help, laundry, toys, games, pets, holidays, books, hotels, personal care, other miscellaneous expenses etc.
- 8% goes into Energy which includes electricity bills, cooking gas bills, other domestic fuels like coal, coke, kerosene etc.
- 6% goes into Clothing & Footwear which includes purchase of cloths and footwear and their repair cost





- **Rural India:** Per Capital Consumption of Rural India is Rs.12,662.89 per year. On an average, a household in India has 4.922 people people. Means, a rural Indian family spends about Rs.62,326.74 per year ($=12662.89 \times 4.922$). Out of Rs.62,326 food and beverages consume 54.7%. Rural India also spends more (compared to Urban) on clothing & footwear, health, personal care.
- **Urban India:** Per Capital Consumption of Urban India is Rs.28,956.05 per year. Considering 4.922 people per household (see note below), an urban Indian family spends about Rs.1,42,521.67 per year ($=28956.89 \times 4.922$). Out of Rs.1,42,521 food and beverages consume 34.8%, and housing consumes 23%. Urban India also spends more on transport, education and communication.



Problem Statement

- With the mission to raise a financially aware and independent generation of kids, FamPay wants instill the fact that the kids are incharge of their own payments and can also help out others in their family in this.
- There are a lot of household transactions that happen on a regular basis like Mobile Recharges, eCommerce, Food delivery as well as Bill Payments like electricity, DTH, Broadband, etc.
- FamPay wants to see how their users in the age group of 13 to 21 years can start making household payments and in this process become more financially aware, and independent and also help out their parents - this would also help the kids as the more they transact, the more FamCoins they earn (our reward currency) which they can use to cashbacks, offers and participate in give aways for iPhones and other big prizes.

Goal

To Devise a product strategy of how should one go about getting kids on FamPay to form this new habit of taking over household spends. Understand both from a kid + parent perspective of how this shift can happen from these transactions being a parent driven activity to a kid driven activity in India

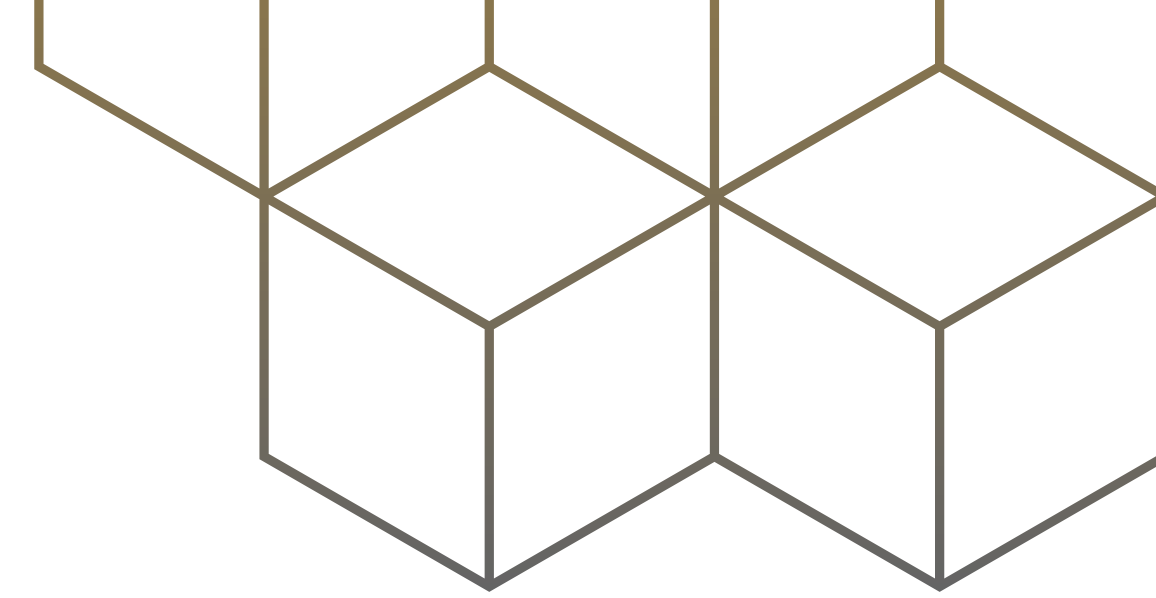


Identifying Problems & Barriers

Here are some possible reasons why the desired shift from parent-driven transactions to kid-driven transactions is not occurring

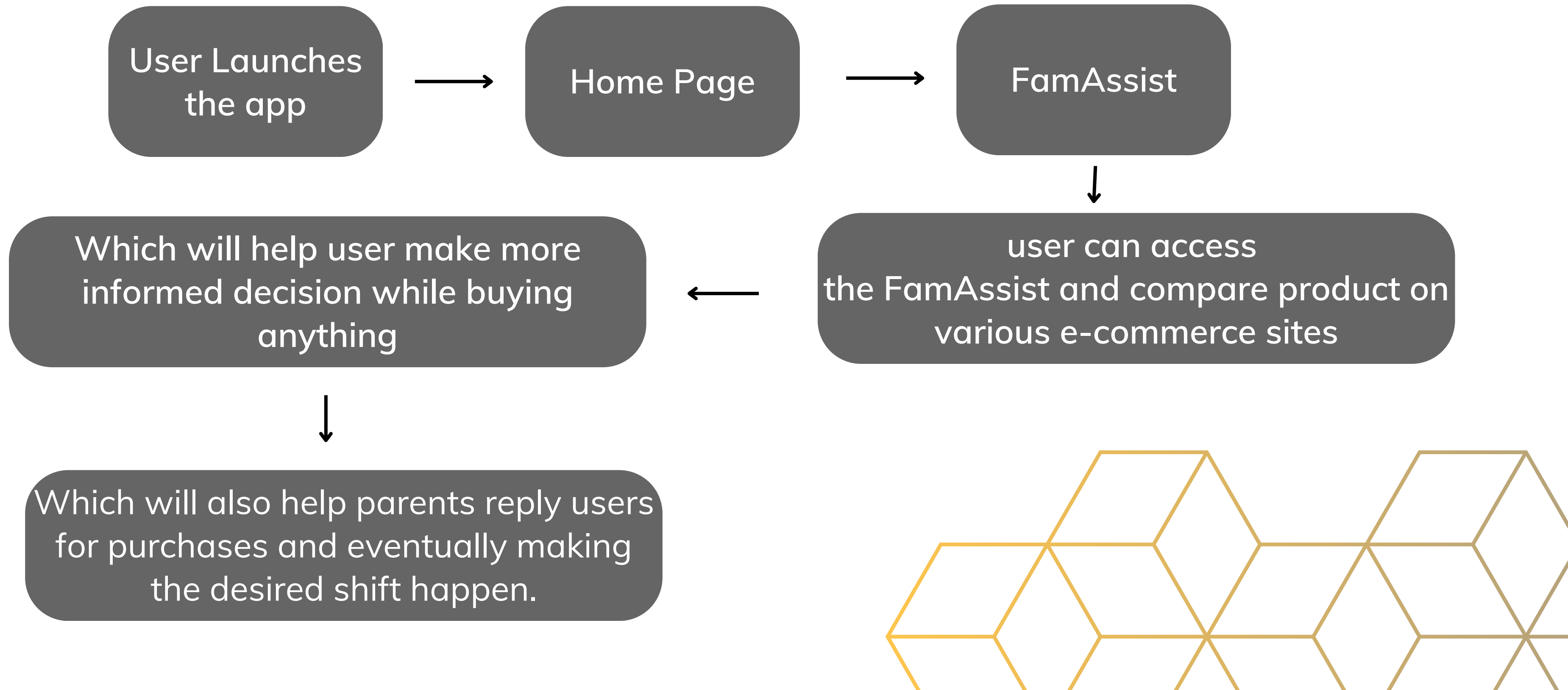
- As per the reports, Indian households spend about 40% of their monthly income on food & Beverages including groceries, food order fruits, vegetables etc., and kids do have a involvement in these purchases but don't have any involvement in check-out and paying bill.
- Indian households also spend a considerable amount on clothing and footwear and shopping online so not having wide range of products on FamStore also evolves as a problem.
- Rewards and discounts are what Indian users look for, while paying or buying anything online, so not rewarding user much could be one of the barriers stoping users to use FamCard and FamStore or FamPay.
- In addition, parents worry about not being able to track where their kids spend their money.

#1 Helping kids make a sound purchase Through "FamAssist"



- Based on the conversations I had with some of the families, In a typical Indian households kids are usually involved in purchases like groceries and electronics or any purchase that a family makes, but when it comes to paying for it, parents usually keep the job to themselves resulting in kids not being good for doing payments or making a sound purchase.
- Helping kids to make a sound purchases in terms of reading reviews of products before purchase, cost of the product on various platforms could help parents permitting kids to do so and will also make the shift easy for buying products online or ordering anything online.
- To do so, we will have to implement some feature in app which will assist kid buying any product online

User Flow



#2 Offering a wider range of products on "FamStore"



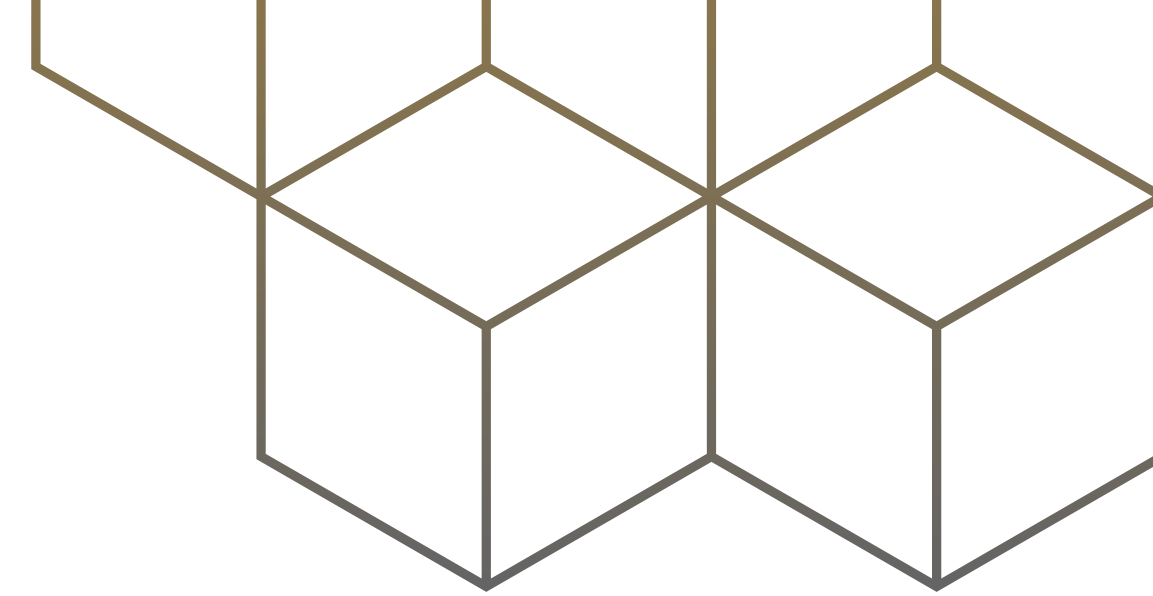
- FamPay already have a store known as FamStore which includes Gift cards, Merchandise, Discounts and shopping mall of brands.
- Widening this product range with respect to the expenses of a Indian Households and adding more items related to household spends and providing competitive discounts and offers on the same will surely help
 1. Food & beverages
 2. Clothing and E-commerce
 3. Ticket booking apps like BookMyShow and RedBus
 4. Mobile recharges
- If kids get more discount on doing these transaction, it'll surely move parents letting their kids do these transaction, for first few times, It'll happen by parents assistance but eventually kids will do it on their own.

#3 Enabling parents to receive e-mails regarding their children's transactions



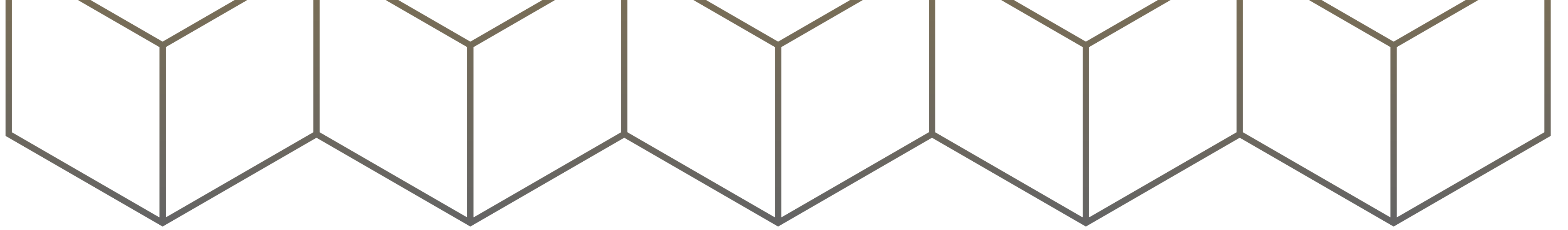
- According to the conversations I had with some of the parents, they are also concerned about where their kids will spend the money they give them, so parents of children between the ages of 10-15 would be more informed about their kids' transactions by receiving an e-mail/SMS that shows them all of their kids' transactions.
- Doing the same, would help us resolve the concern of parents and also parents would eventually start trusting kids with the household transactions which will lead to desired shift.

For rural India (Not a part of the problem statement)



- As per the reports and from my personal experience in rural India, these transactions are already been done by kids from 15-21 as the parents are not that tech savvy and also kids are the ones who know about all these things like paying electricity bill online.
- So considering or targeting these kids could help acquire more users from tier 3 and 4 cities and rural part of India.
- It'll solve 2 problems for them,
 1. Kids will get a good understanding of these transactions and it'll become a easier process for them
 2. Dependency of families from rural India on various offline stores to pay their household bills would be resolved.

P.S - Rural Indians spend more on online shopping than urbans.



Thank you!

