 REFER A FRIEND

## PRODUCT TEARDOWN

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## ABOUT

CRED allows its users to make credit card payments through its app and provides access to exclusive offers and discounts. The platform also helps users manage their credit card bills, track expenses, and earn rewards points for paying bills on time. With CRED, users can handle and pay off all their credit card dues in one place.

2018

Launch

16 M

Total users

\$6.4B

Valuation  
(2023)

Fintech

Industry

## HOW DOES CRED OPERATE?

Once the user downloads the app and enters their mobile number, the app checks the cards connected to the registered phone number till the account gets configured. If the credit score is greater than 750, the person is allowed to use the app. If not, he is sent to the waiting list. After receiving access, CRED apps will have access to the mail identification for reading and scanning credit card receipts like due dates and service statements.

## Key Activities

**CRED Mint** enables its users to lend their money and earn interest rates of up to 9 percent per annum, which is way higher than savings accounts and other traditional forms of deposits

**CRED Stash** is an instant credit line offered by CRED to provide its customers credit with greater ease at an interest rate equivalent to about one-third of the usual charges of using a credit card.

**CREDIT Payments**  
CRED provides a unified payments interface to the users and enables them to pay their credit card and other bills through the app and receive rewards in the form of CRED coins if they do so on time.

**CRED Travel** lets its users purchase flight tickets, book hotels, and manage their culinary expenses through the app and get rewarded with CRED coins that they can use to purchase different other products from the CRED store.

**CRED RentPay** allows the tenants to pay monthly rents using a credit card, where the amount is transferred to the landlord's bank account directly.

**CRED Store** is a member-exclusive selection of products and experiences at special prices.

## Value Propositions

**An all in one application for paying credit dues, rent and other bills in just few taps.** It reduces the hassle of handling multiple credit cards by making the process tremendously simplified, easy and convenient.

**Provides users with an instant credit line** and facilitates P2P lending at an interest rate of 9% to lenders, which is way more than what savings accounts and deposits usually offer.

**Records loan caps, analyses hidden costs and overall expenses** of the users and tracks due dates and sends them timely reminders to make payments.

Users make timely payments, it rewards them with **CRED coins** which they can **redeem on the platform 'Discover'** to avail discounts on different products offered by CRED partners.

Users can also **calculate their credit scores for free** and use CRED's help to maintain a good credit profile and make good financial decisions.

## Key Resources

Human capital

Financial Resources

Technological Inputs

## Competitors



## Key Channels

CRED Website

CRED Mobile App

## Revenue Streams

**Affiliate Income** - CRED partners and ties up with different businesses who offer their products to the users on the 'Discover' platform. every time a user picks an offer from the app, the business pays a fee to CRED for sending the business to them.

**Revenue From Advertisements** - CRED's target audience is the 1% cream population and having data about their purchases and spending patterns helps it optimise advertisements to encourage more spending through the platform and earn commissions on sales of those products.

**Transaction Fees** - It also charges a processing fee of around 1 to 1.5% on transactions made through the platform.

**Revenue From Loans** - The introduction of P2P lending has led to lenders earning interest rates of around 9 percent and loans being disbursed at interest rates between 10 to 12%.CRED also lends customers loans through an instant credit line, CRED Stash, on which it earns interest rates lesser than the charges of using usual credit cards.

# Who has CRED solved for?

## USER SEGMENT

CRED targets the wealthy who have more than 1 or 2 credit cards.

CRED has refined its objective by permitting just clients with a CIBIL score of at least 750.

Targeting **Generation Y** i.e people between the age of **25 and 40, especially those over the age of 30.**

## USER PERSONA



**Alisha, 32**  
Marketing Manager  
Mumbai, India

Income: High  
Education: Bachelor's Degree  
Marital Status: Single

### PSYCHOGRAPHIC PROFILE

1. Career-focused individual, leading a fast-paced life, enjoys socialising and appreciates high quality experiences
2. Believes in constant self-improvement and growth
3. Values order and efficiency in personal and professional life.
4. Values managing finances wisely and maintaining a good credit score.

### NEEDS

1. She wants tools and resources to help her improve and maintain a high CIBIL score, ensuring financial stability and favorable loan terms in the future.
2. She desires access to premium offers, discounts, and rewards for her spending habits and financial responsibility.
3. Alisha needs timely notifications and updates regarding her credit card activities, payments due, and rewards earned to stay on top of her financial game.
4. Alisha needs a secure and trustworthy platform to handle her sensitive financial information and transactions.

### WEBOGRAPHIC PROFILE

1. Tech-Savvy
2. Uses Instagram and LinkedIn often
3. Likes reading blogs related to her career

### PAIN POINTS

1. Overwhelm with Multiple Cards and by the varying due dates and terms.
2. She is concerned about her credit score and struggles to understand how certain actions affect it, causing anxiety and uncertainty.
3. Feels the need for tailored financial advice and guidance specifically targeted towards improving her credit score and financial health.
4. She worries about the security of her financial data and transactions, making her hesitant to trust online platforms for managing her credit cards.

# CRED Referral System Breakdown

## Why a referral program is important for CRED?

- Referral programs have effectively driven new customer acquisitions for CRED. Existing satisfied customers are incentivized to refer friends and family, thereby expanding CRED's user base at a lower cost compared to traditional marketing efforts.
- When existing users recommend CRED to their contacts, it leverages social proof and increases the likelihood of conversion.
- Satisfied customers who receive incentives become more likely to continue using and advocating for the platform, leading to a positive brand image.

## Who can refer?

Anyone who has registered on CRED.

## What is the incentive type?(Money/no-money , one-sided/two-sided)

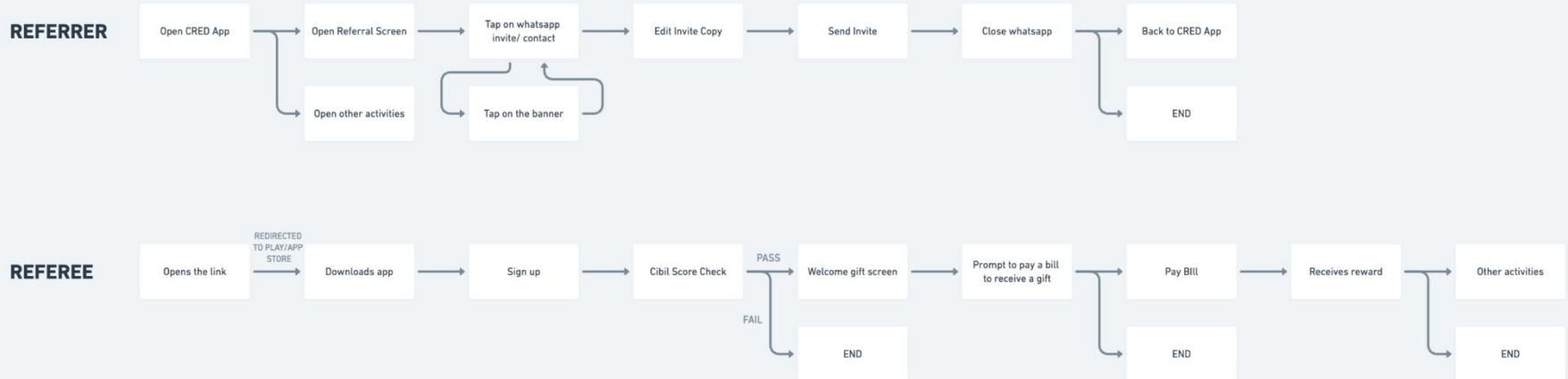
Referrer gets reward upto Rs.1000. Referee gets upto Rs.250 when registered with CRED with a referral link. Hence it's two sided.

## What can be the potential risks?

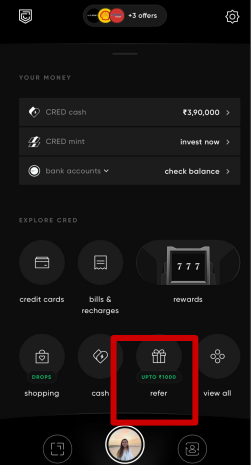
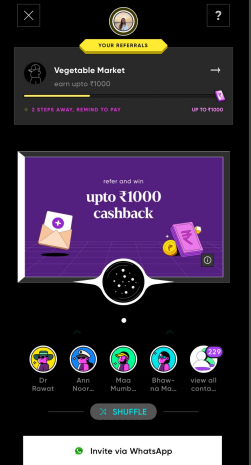
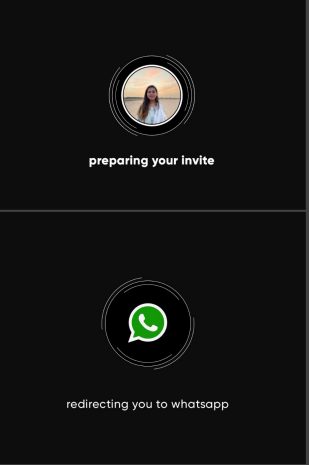
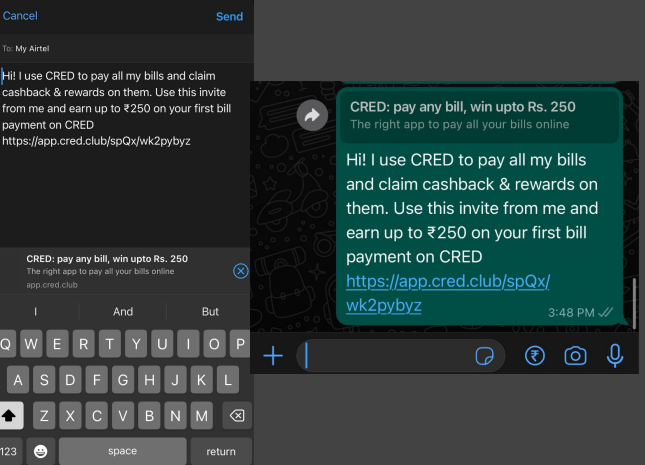
1. Users might attempt to exploit the referral system by creating fake accounts
2. Users may refer others solely for the incentives, leading to a large number of low-quality referrals that do not contribute meaningfully to the platform(low LTV, high CAC).

*Solution by CRED:* Handled this with gamification and first bill payment constraint. This mitigates the risk by a good extent

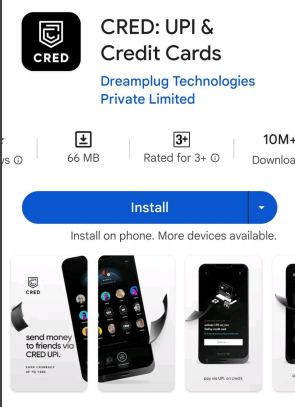
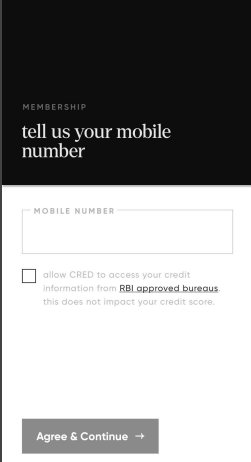
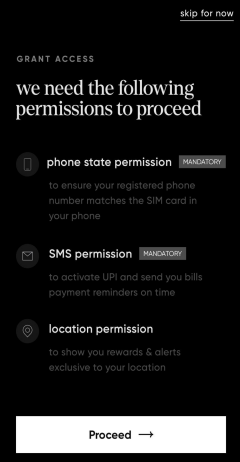
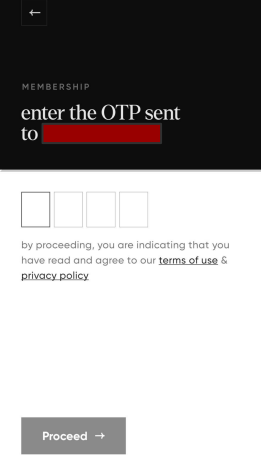
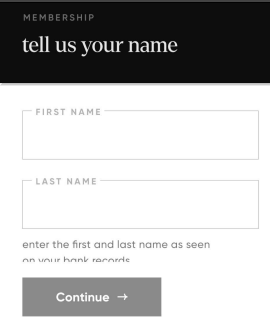
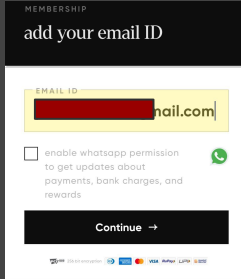
USER FLOW



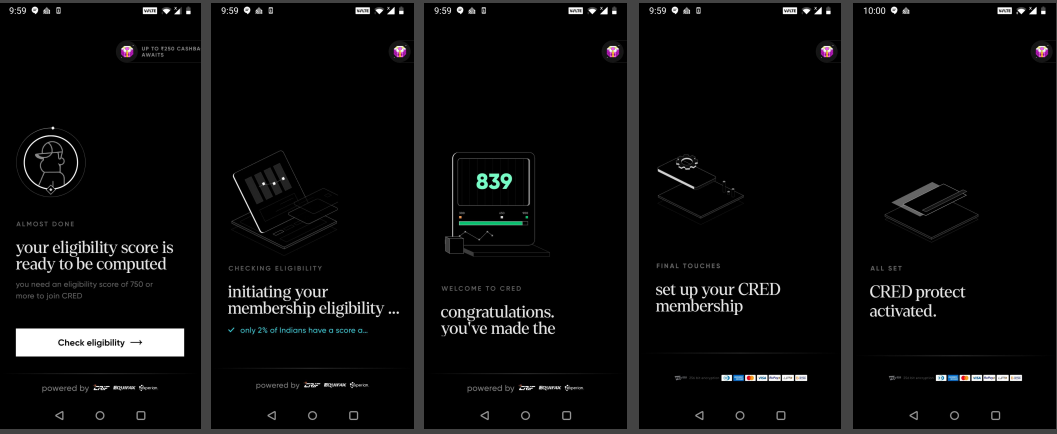
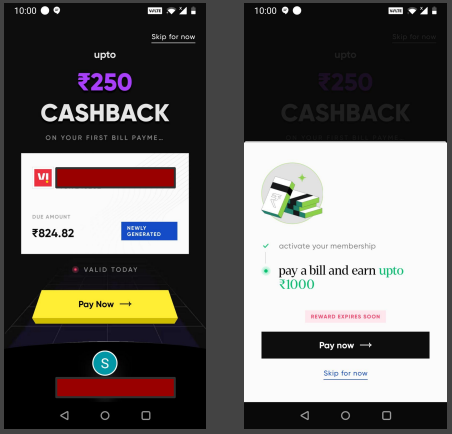
# User Journey Map for Referrer– Referral Program on CRED

Stages	1. Open App	2. Open Referral Screen	3. Waiting Screens	4. Referral Copy is Created and sent by User
Touch Points				
Actions	<ol style="list-style-type: none"> <li>1. Opens the CRED app</li> <li>2. Taps on 'Refer'</li> </ol>	<ol style="list-style-type: none"> <li>1. Goes through the details</li> <li>2. Checks out shuffle</li> <li>3. Taps on 'Invite via whatsapp'</li> </ol>	<p>Users waits</p>	<ol style="list-style-type: none"> <li>4a) User checks the referral message</li> <li>4b) Sends the message</li> </ol>
Thoughts	<p>Wow! I'd get some rewards. Upto 1000 seems tricky. Let's check this out</p>	<p>My contacts are already here But I don't want to send to the displayed contacts Interesting UI with shuffle I have whatsapp. Works!</p>	<p>Okay will wait But, what an interesting waiting screen unlike others</p>	<p>The invite seems correct Hope my friend does what is required Sent but should I go back to the app?</p>
Pain Points	<p>'Upto 1000' is not clear</p>	<p>Only whatsapp as option Shuffle can be annoying</p>		<p>Unclear that for the reward this link <i>has to be</i> clicked.</p>

# User Journey Map for Referee– Referral Program on CRED

Stages	1. Downloads app		2.Signs Up				
Touch Points							
Actions	<ol style="list-style-type: none"> <li>1. Opens the link</li> <li>2. Redirected to play store</li> <li>3. Downloads CRED app</li> </ol>		Enter Phone number	Share Permissions	Enter OTP	Enter Name	Enter email Id
Thoughts	Okay let's try this and download the app		Alright	Not a problem	Alright	Alright	Alright But why is whatsapp mandatory? But ok
Pain Points							whatsapp mandatory

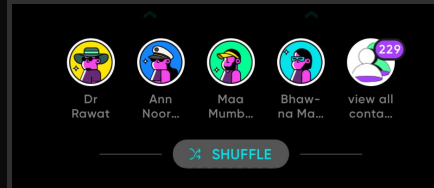
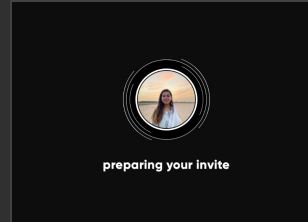
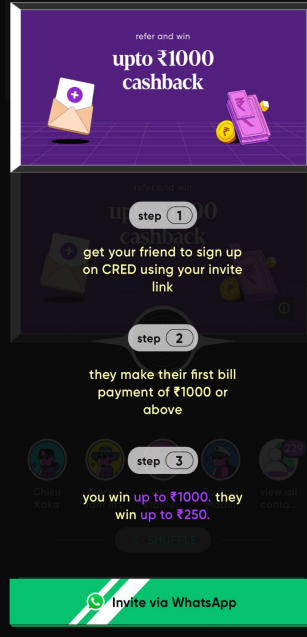
# User Journey Map for Referee (contd..)

Stages	3.a. Cibil Score Check 3.b. Activate CRED Protection					4. First Interactions	
Touch Points							
Actions	Starts Eligibility Check	Waiting	Check complete	Prompts for final activities	Checks prompted Postpaid bill	Prompt to pay a bill for reward	
Thoughts	Oh. I hope to pass this	I think I'll pass	yay	Alright!	4a) I have just signed up and it knows about my postpaid bill payment? Is the due date close? is it accurate? 4b) BUMMER! I have no bills to pay. That means no reward? Let me skip. So much effort might go waste		
Pain Points						No bills to pay within the limited validity of referral link	

# Things that Stood Out

## Excellent User Interface (UI)

- CRED design cuts down monotone mobile interfaces (checkout the waiting screen) Instead of a plain splash screen with the company logo, CRED opted for smooth transition animations to grab user attention.
- The UI provides informative elements that educate users about the referral program, incentives, and how to maximize benefits.
- The UI prominently displays clear and compelling CTAs to encourage users to refer their *contacts/invite via whatsapp*.



## Gamification

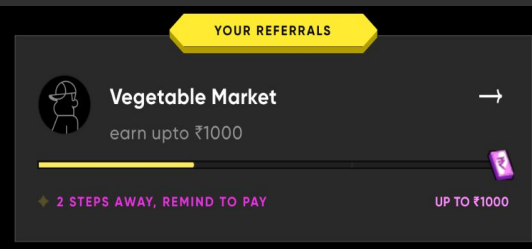
- CRED gamifies the referral program by assigning cashback to users for successful referrals. Every reward is accompanied by smooth animations, notifications, and sounds to grab attention.
- With every bill payment, users get rewarded with coins or vouchers.
- CRED has a unique feature **shuffle** for contacts trying to create a sense of excitement.

## Enhanced Security and Fraud Prevention

CRED's referral system employs a cash reward mechanism after the first bill payment. This strategic approach mitigates the risk of fraudulent activities, ensuring that rewards are granted only after genuine engagement and payment verification.

## Referral Tracking and Transparency

The app displays real-time updates on the status of referrals, also giving users the option to send a reminder invite



## Effective Customer Acquisition Cost (CAC) Management

By linking the cash reward to the first bill payment, CRED optimizes its Customer Acquisition Cost (CAC). The referral benefits are directed towards new users (*and not new accounts*), promoting cost-effectiveness and a targeted approach in expanding the user base, aligning with CRED's business goals.

# What can be improved?

## Limited Referral Sharing Channels

**Issue:** The referral system only allows sharing via WhatsApp, limiting user options for sharing referrals through other platforms.

**Impact:** Users may prefer sharing referrals through different mediums based on their preference or connectivity, restricting the reach and potential of the referral program.

**Solution:** Integrate multiple sharing options like email, SMS, social media, etc., to provide users with a variety of choices for sharing referrals.

## Contact Redirection

**Issue:** Tapping on a contact in the shuffle list redirects users to WhatsApp, displaying an error prompt for non-existing whatsapp contacts.

**Impact:** This bug frustrates users, causing inconvenience and potential discouragement from using the referral feature.

**Solution:** Address the bug that identifies contacts on phone book instead of whatsapp and provide a seamless experience when interacting with contacts.

## Limited Validity of Referral Link

**Issue:** While the referral link's validity for only 48 hours can be a good move from business POV, it causes annoyance and urgency for the referee to utilize it within the specified timeframe. The expiry of the referral link within 48 hours is not communicated to the referrer during the referral instructions, leading to potential frustration.

**Impact:** Users may feel pressured to complete transactions within the limited window, affecting their overall experience and satisfaction.

**Solution:** Extend the validity period of the referral link beyond 48 hours, giving users a reasonable timeframe to make use of the referral opportunity. Also, include it in instructions.



The phone number  
+918 881001074 isn't on  
WhatsApp.

Invite to WhatsApp

Cancel

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The right app to pay all your bills online  
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it won't be the last time you win  
big on CRED! Hurry, the invite  
expires in 48 hours:

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Thank you!

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