Frugal.ai

Smart money moves, anytime, anywhere

02 December, 2024

Problem Statement.

Problem

- Lack of **personalization**
- Limited **proactive guidance**
- **Fragmented** ecosystems

Solution

- **AI-driven** suggestions
- **Personalized** investment advice
- **Unified** platform & **multi-account** connectivity

Outcome

- Users understand how to **make sense** of their money
- **Smarter** financial decisions
- **Convenient & holistic** financial overview

Vision.

To empower individuals to take **control** of their financial future with **personalized**, **proactive**, and **holistic** tools that **simplify** money management, inspire **smarter** decisions, and drive lasting **financial well-being**

Product Overview. Features

Hybrid Advisory Service

Tailored investment advice via Robo-advisors with the option of incorporating human-advisors for a hyper-personalized advice

Financial Simulations Hub

Simulates the impact of financial decisions, such as retirement planning, debt repayment, and risk assesement, using predictive analytics

Smart Credit Manager

Credit score tracking with actionable credit improvement tips, debt management suggestions and loan & credit recommendations

FrugalGPT

In-app chatbot that provides personalized guidance on budgeting, saving, debt management and investment strategies in real-time

Financial Literacy Hub

Interactive and gamified learning resources to improve users understanding of key financial topics

Receipt Capture & Spending Insights

Scans receipts using OCR and machine learning to automatically categorize expenses and provide detailed spending insights

Unique Selling Points.

Frugal.ai

1

Smart Purchase Timing

Identifies ideal time for recurring purchases (e.g. groceries and gas) by analyzing user spending habits, preferences and real-time market data

2

Data-driven Spending Optimization

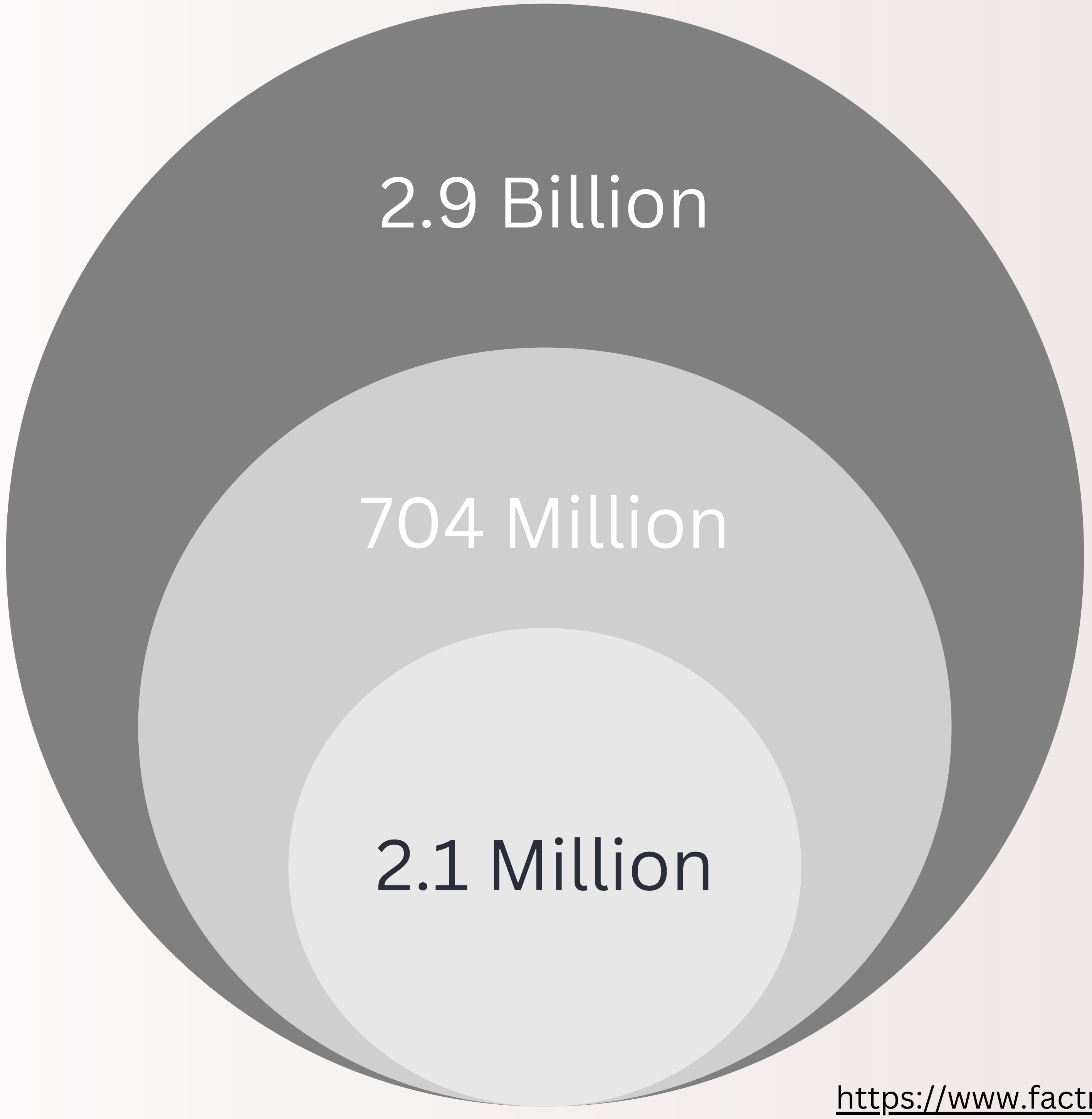
Provides optimized suggestions for purchases by leveraging real-time pricing data, historical trends and predictive analytics

3

Goal-Based Investment Advice

Combines advanced Robo-advisors and human expertise to craft personalized investment portfolios with tailored recommendations for mutual funds, bonds, and more

Market Size. Global Personal Finance App Market



Total Available Market (TAM):

$2.9 Billion

Serviceable Available Market (SAM):

$704 Million

Serviceable Obtainable Market (SOM):

$2.1 Million By Year 2

https://www.factmr.com/report/personal-finance-mobile-app-market
https://www.thebusinessresearchcompany.com/report/ai-powered-personal-finance-management-global-market-report

Market Size Breakdown.

Data Sources

Global Personal Finance Market: **$2.9 Billion**

North America Market Share: **24.3%**

Target Penetration rate: **0.3% (of SAM)**

Calculations

TAM: **$2.9 Billion**

SAM: $2.9 Billion x 24.3% = **$704 Million** (North American Market)

SOM: $704 Million x 0.3% = **$2.1 Million** (Captured by Year 2)

Market Trends & Drivers of Growth

- Increasing smartphone penetration
- Higher demand for personalized solutions
- Growing tech-savvy consumer bases
- The AI-powered personal finance sector is expected to grow significantly

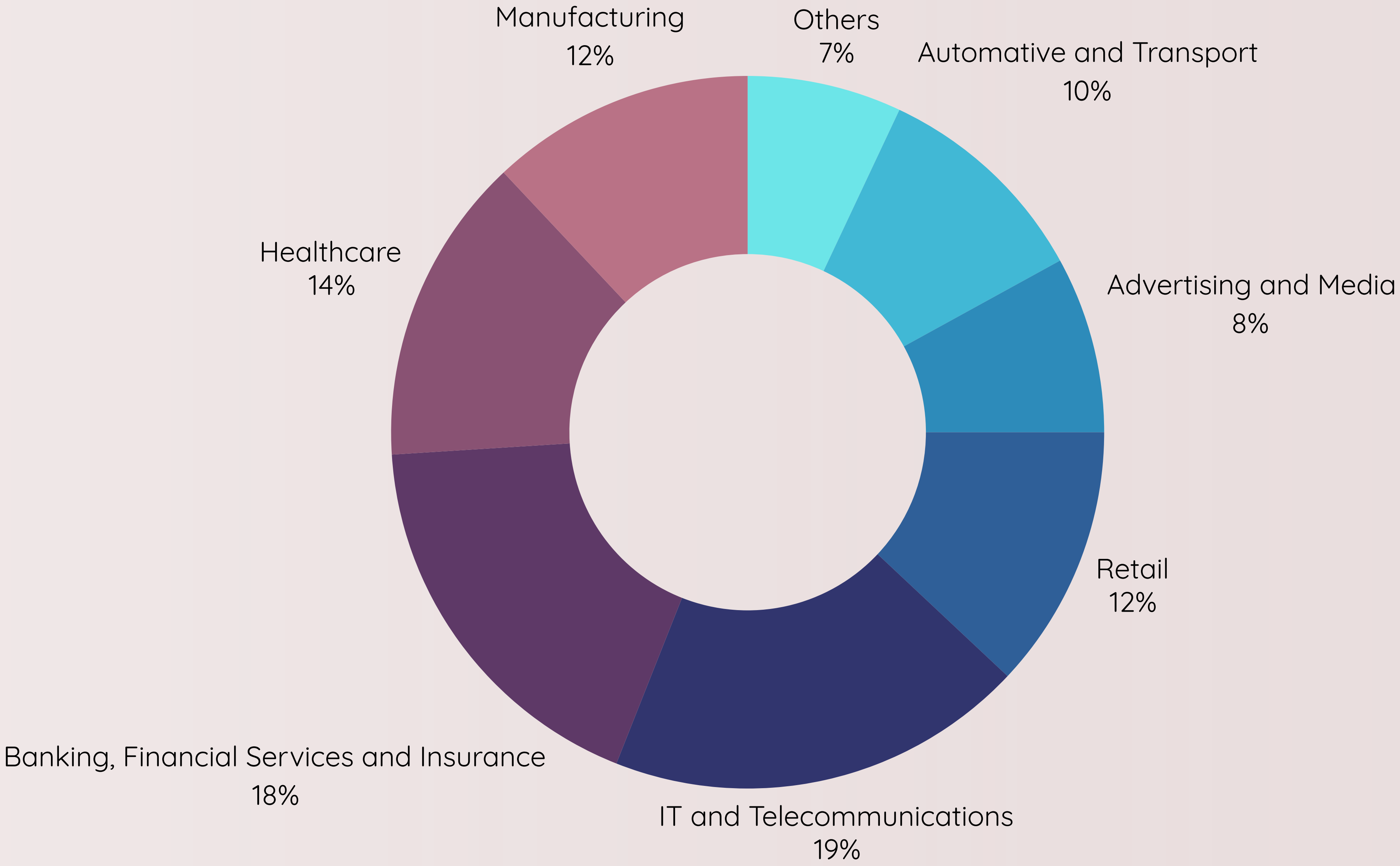
The Adoption of AI in Financial Services.

- **Financial Sector:**
  - **18%** of global machine learning market share

- **AI-market in BFSI:**
  - Expected to skyrocket from **$20 Billion (2022)** to **$100 Billion** in 2032
    - CAGR: **20%**

- **Drivers of growth:**
  - Increasing demand for more **efficient** and **personalized** financial services
  - Survey: **67%** of Gen Zers and **62%** millenials use AI for their personal finances

Global Machine Learning Market Share By Industry (2022)



AI in finance is here, and it`s here to stay!

Scope (Geographic focus).

Primary Focus

Phase **1**

North America

2031: $42.17 billion
CAGR: 23.4%

40% Market Share
US: 45.7%

Secondary Focus

Phase **2**

Europe

2031: $31.62 billion
CAGR: 23.7%

30% Market Share

Phase **3**

East Asia

2031: $24.25 billion
CAGR: 27.2%

23% Market Share

Goal: Utilize a **phased expansion strategy** to establish a user base in primary markets before expanding into higher-growth regions (Asia & Europe)

Product Strategy Canvas.

Vision

Create a comprehensive personal finance application that simplifies money management by providing actionable guidance, helping users make smarter financial decisions to optimize their spending

Relative Costs

- **Development costs** related to design, AI integration, Licensing third-party APIs
- **Cloud Infrastructure:** Hosting and server, storage of user data
- **Marketing costs:** Ads, partnerships and app store optimization
- **Data Security and Compliance** (GDPR, CCPA)

Trade-offs

- Advanced/high-tech features vs. Development costs
- Personalization vs. Privacy concerns
- Free Features vs. Monetization
- User Privacy vs. Data Integration
- Custom Development vs. Third-Party Integrations

Capabilities

- AI models & ML systems
- API integrations
- Cloud Infrastructure and security measures
- KYC features
- **Partnerships:**
    - Fintech companies
    - Technology providers
    - Regulatory consultants
    - Marketing partners

Market Segments

- **Young professionals** (20-35 years)
    - Students
    - First-time borrowers
- **Budget-conscious** families seeking affordable tools to achieve saving goals on tight budgets
- **New and entry-level** investors who lacks knowledge or access to affordable, personalized investment tools

Value Proposition

- AI-driven analysis on spending patterns and user behavior
- Real-time price-tracking and proactive suggestions
- Personalized investment advice
- 256-bit Encryption Protocols
- Biometric and Behavioral Data Analysis

Key Metrics

- **User acquisition and engagement metrics** (DAU, MAU, CAC, NPS, downloads, CPI, etc.)
- **Monetization metrics** (ARPU, LTV, conversion rate to premium, churn rate)
- **AI effectiveness metrics**: Accuracy of predictions, recommendation adoption rate

Growth

- **PLG (Product-Led Growth)**
    - Freemium model
- **Sales and marketing channels:**
    - Digital marketing, content marketing, ASO
- **Partnerships:**
    - Financial influencers
    - Fintech companies for cross-promotion

Ask Yourself

1. How can frugal.ai build trust in the users when asking for sensitive financial data (bank account transactions, spending etc.)?
2. What unique value do frugal.ai offer to differentiate it from established personal finance apps?
3. How can we demonstrate the impact of Frugal.ai`s insights on users` financial well being to reinforce the app`s value?

Competitive Landscape.

honey

Wally

personal CAPITAL
AN EMPOWER COMPANY

POCKET GUARD

ROCKET Money

intuit mint

Competitive Analysis. (1)

Platform	Feature Set	User Experience	Collaboration Tools	Unique Selling Points	Overall
	●	●	◕	●	●
honey	◕	◕	○	◑	◑
	●	◑	◑	◑	◕
personal CAPITAL AN EMPOWER COMPANY	◕	◑	◔	◑	◑
POCKET GUARD	◕	◑	○	◑	◑
ROCKET Money	●	◕	○	◕	◕
intuit mint	●	◑	○	◑	◑
wally	●	◕	◑	◑	◕

Competitive Analysis. (2)

Platform	Feature Set	User Experience	Collaboration Tools	Unique Selling Points	Overall
	Tracks recurring expenses, suggests cost-cutting measures	Focused, minimalist interface with actionable insights	Shared wallets, joint budgeting, cost-saving predictive insights	AI-driven recommendations for spending patterns	Actionable savings/insights for financial decisions
honey	Applies discount codes, price history tracking, cashback rewards	Easy-to-use browser extension with automated savings	None; focused solely on individual shopping.	Instant discounts and cashback rewards with minimal effort	Static data visualization, limited recommendations, cluttered UI
	Zero-based budgeting, goal-setting tools, sync across devices	Comprehensive but requires a learning curve, managing user budgets daily	Multi-user access for household budgeting, real-time updates	Better money habits, educational approach with workshops and guides	Steep learning curve and expensive subscription model
personal CAPITAL AN EMPOWER COMPANY	Net worth tracking, retirement planning, and portfolio analysis	Sleek UI and advanced tools for investments; intimidating for beginners	Limited; mostly individual-focused unless using wealth management	Free tools paired with premium advisory services	Designed for the wealthy, complex investment tools alienates average users
POCKET GUARD	Identifies overspending and subscription services for possible cancellation	User-friendly but lacks advanced customization or features for power users	No multi-user collaboration options	"In-my-pocket" approach: simplicity and real-time spending insights	Limited customization, lack of long-term financial planning tools
ROCKET Money	Facilitates cancellations, bill negotiation service, and spending alerts	Intuitive, simple design with built-in tools for negotiation	No collaborative budgeting features	Automated bill negotiation, easy subscription tracking and cancellation	Paid features, no free financial management tools
intuit mint	Financial accounts in a single view, spending alerts, and budget recommendations	Clean but overwhelming design with many features, lacks personalization	None; focuses on individual users	Free, trusted financial aggregation tool, with credit score tracking	Outdated UI, no financial insights, too many ads and promotions
wally	Expense tracking, budgeting, bill reminders, multi-currency support to manage finances	Intuitive, customizable UI, seamless cross-platform syncing, smooth experience	Shared wallets and joint budgeting feature to manage collective expenses	Global multi-currency tracking and comprehensive free features	Versatile, user-friendly app for individual & group financial management

	YEAR 1				YEAR 2			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Plan	Identify **target users** & research **competitors**	Finalize a **product development roadmap**	Prioritize **MVP features** (basic)	Research **Int. markets** for Year 2 **expansion**		Planning for **int. expansion** (Europe, East Asia)		
	Define **unique value propositions**		Conduct initial **planning** for **premium features**	Draft a **go-to-market strategy** for **Year 2 regions**				
	Form **strategic partnerships** with fintech companies, tech-providers, third-party API providers							
Test		Closed **beta testing** for MVP (FrugalGpt)	Monitor **DAU**, feature **adoption rates** & **NPS**	**Internal testing** for **premium** features	Test **Hybrid Advisory Service** (both robo-advisors and human advisors) with **selected users**			
		User feedback on UI, feature **usability** and chatbot **accuracy**	Gather **feedback** through in-app **surveys** & app store **reviews**	Launch **beta test** for Financial Simulations Hub with **selected users**	Evaluate infrastructure scalability	Testing for **FrugalGPT enhancements**	Track **engagement** with **regional** simulations and investment tools	
			Address **bugs/perfomance issues** reported by early users on MVP	**Internal testing** for **premium** features	Monitor feedback on premium feature usability	**Regional pilot testing** for **localized features** (Europe and East Asia)		
Develop	Build **MVP** for FrugalGPT	**Smart Credit Manager** (basic version)		Smart Credit Manager **(premium)**	Develop **Hybrid Advisory Service (Robo-advisors only)**			
	Develop a simple **UI** for the core features	**Financial Literacy Hub** (basic version)		**Receipt Capture** (premium)		Enhance **FrugalGPT** (advanced AI learning): chatbot **accuracy** and natural language **understanding**		
		Integrate **APIs** for **receipt scanning** and **credit tracking**		Begin dev. **Financial Simulations Hub**				
Launch			Launch **MVP** (FrugalGPT, Receipt Capture & Spending Insights, Financial Literacy Hub)	Launch **premium** subscription model w/**advanced** features			**Expand** to **Europe** (UK, Ireland) with **localized features**	Launch **premium** package (bundled **advanced features**)
			Monitor **user engagement** and address **early feedback**	Market **premium** features to **early adoptors**				Scale **marketing campaigns** to drive **premium adoption**

Product Execution.

Roadmap Highlights - Key Milestones

Q1 Year 1
Target user identification, partnership finalized

Q2 Year 1
MVP testing completed, beta testing launched

Q3 Year 1
MVP launched and user feedback gathered

Q4 Year 2
Premium package w/advanced features fully launched

Development

Execution steps

- Build **MVP** (FrugalGPT, Receipt Caputure, Smart Credit Manager
- **Enhance** AI features (e.g. FrugalGPT advanced learning)
- Develop **premium** features
- Focus on **scaling** and **localization**

Key metrics

For tracking success

- **User Acquisition:** DAU, downloads
- **Engagement:** Retention rate, NPS
- **Monetization:** Premium conversion rate, ARPU

Launch Strategy

From Concept to Market

- **Fremium model** to drive **adoption**; monetize via **premium subscription**
- Phased **regional expansion** (North America → Europe)
- **Marketing** via social media, SEO, and **partnerships** with fintech influencers.

Go-To-Market Strategy. Aligned with the roadmap

Pre-Launch

Q2: Year 1

Partnerships: Plaid, Experian

Marketing: Social Media, blogs, webinars

Target Audience: Young professionals, families

MVP Launch

Q3: Year 1

Launch MVP: FrugalGPT, Receipt Capture

Engagement: Referral programs

Feedback: In-app surveys

Premium Feature Rollout

Q2: Year 2

Launched features:

- Advanced Credit Manager
- Financial Simulations Hub
- Hybrid Advisory Service

Strategy: Limited-time free trials & tiered subscription plans

Marketing: Targeted campaigns to convert free users to premium

Scaling & Expansion

Q3: Year 2

Expansion: Europe (UK, Ireland)

Marketing: Regional influencers, localized campaigns

Monetization: Premium limited-time discounts

Monetization. Strategy

Freemium Model

Basic features ($0): Budgeting, credit tracking & receipt capture

Premium Subscription

Advanced plan: $15/month (Simulations + Hybrid Advisory Service)

Basic plan: $5/month (Advanced Credit Tracking & Spending Insights)

Affiliate Commissions

Partnership with financial institutions for loan, credit card or investment referrals

Free
$0/month

- ✓ Budget Tracking
- ✓ Credit Score Tracking (basic)
- – Advanced Credit Insights
- – Hybrid Advisory Service

Sign up for free

Basic Plan
$5/month

- ✓ Budget Tracking
- ✓ Credit Score Tracking (Advanced)
- ✓ Spending Analytics
- – Hybrid Advisory Service

Subscribe

Premium Plan
$15/month

- ✓ Budget Tracking
- ✓ Advanced Credit Insights
- ✓ Hybrid Advisory Service
- ✓ Personalized Investment Advice

Get premium

Investment Criteria.

Projections

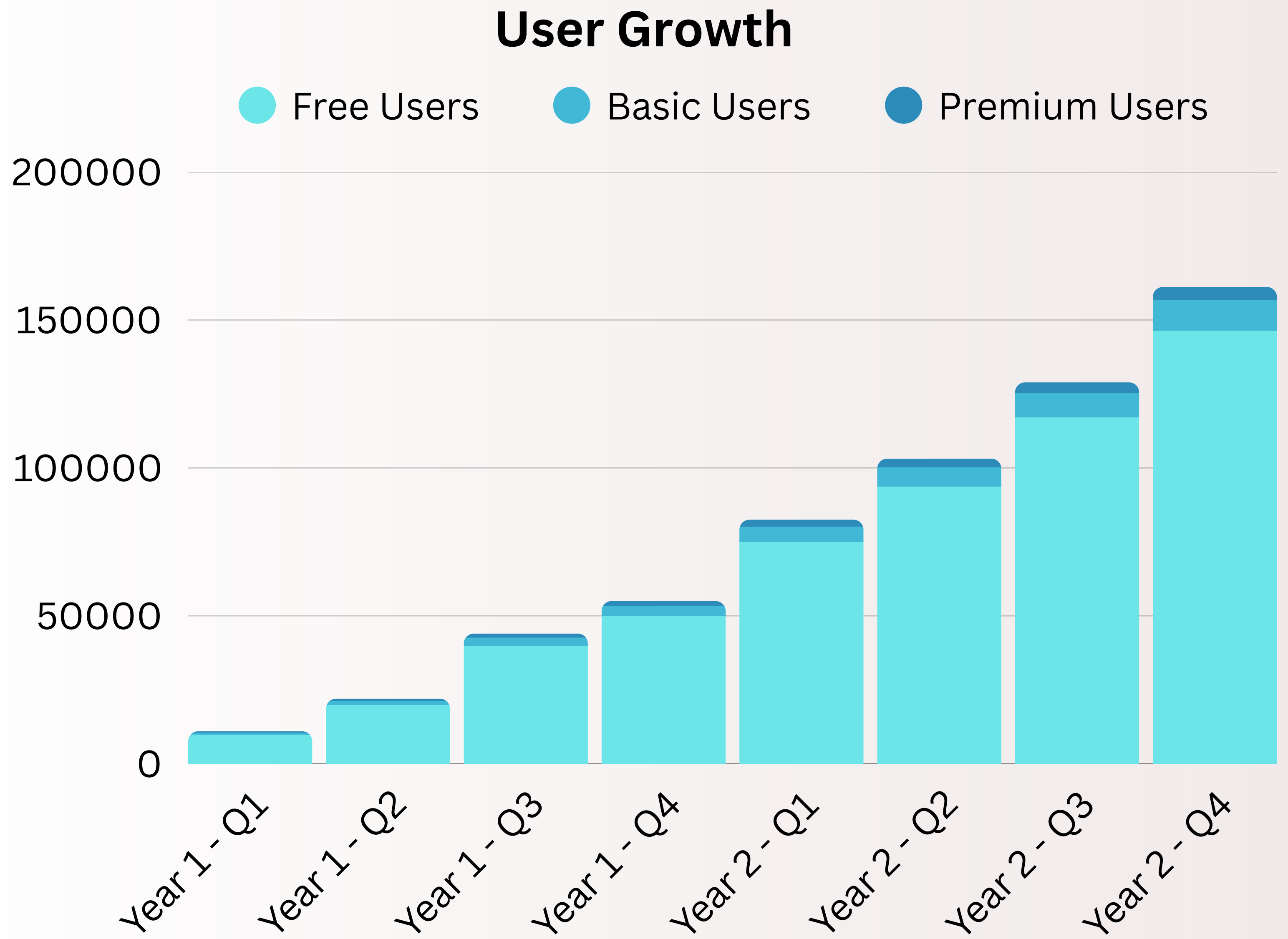
Free users: **90%** of total users
Premium users: **3%** of total users
Basic users: **7%** of total users

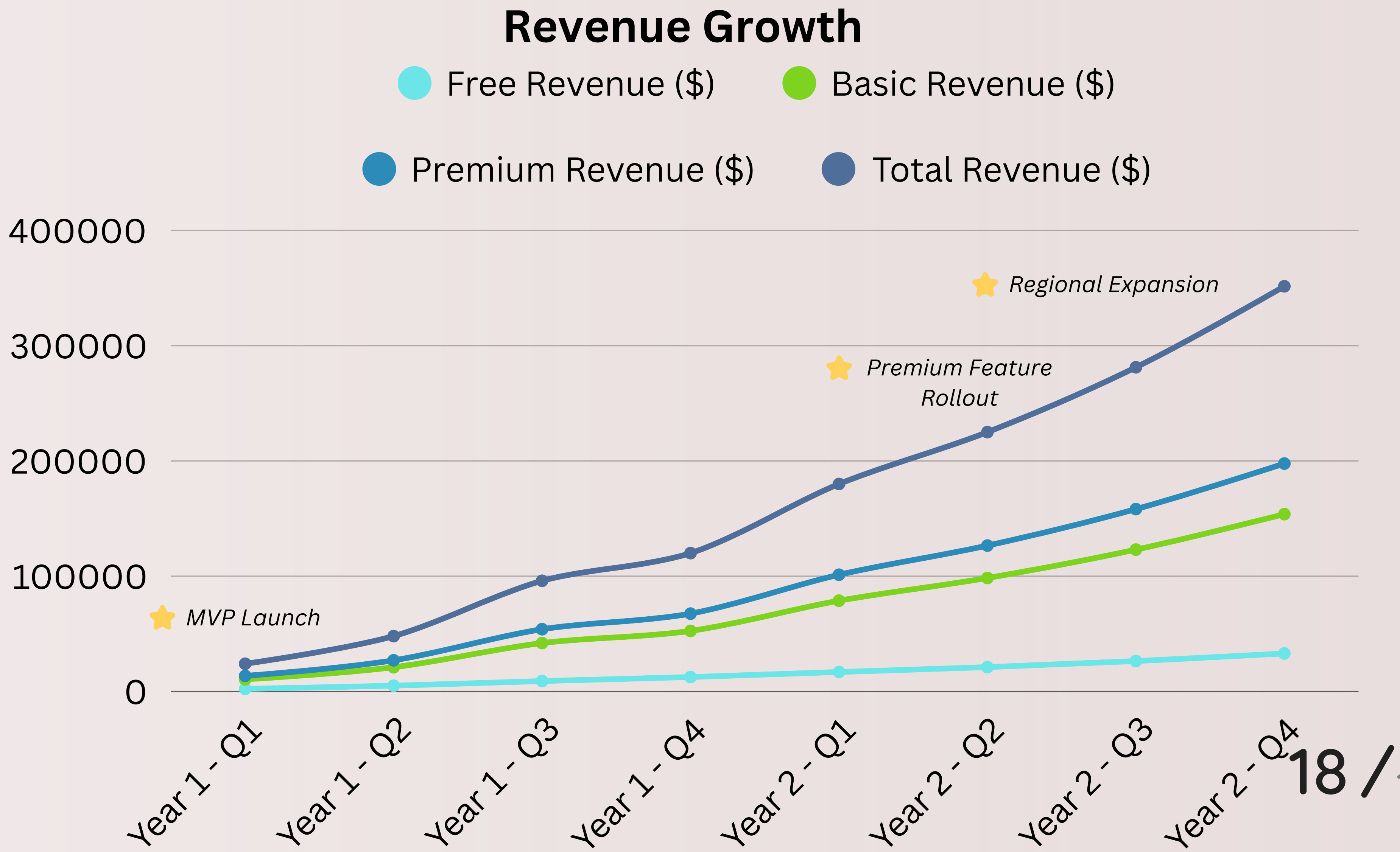
Year 1: ***75%*** Quarter-over-quarter growth
Year 2: **25%** Quarter-over-quarter growth

Projections

Free Revenue: No direct revenue, optional affiliate revenue (e.g. partnership with financial tools generating **$1/user per year**
Basic Revenue: **Number of basic users x $5 x 3 months** (per quarter
Premium Revenue: **Number of premium users x $15 x 3 months** (per quarter

Year 1: ***75%*** Quarter-over-quarter growth across all plans
Year 2: ***25%*** Quarter-over-quarter growth across all plans





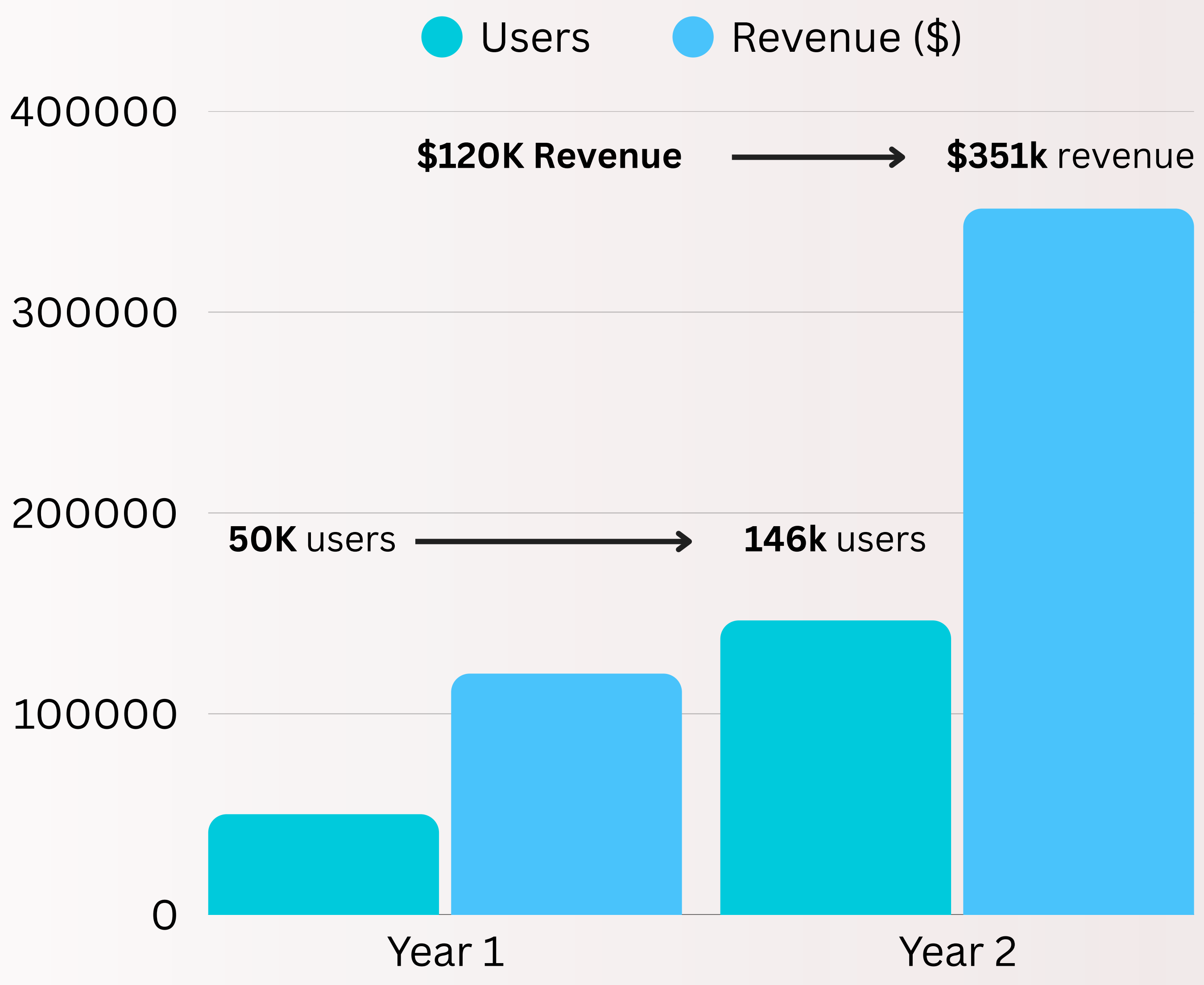
Business Results. KPIs To Track

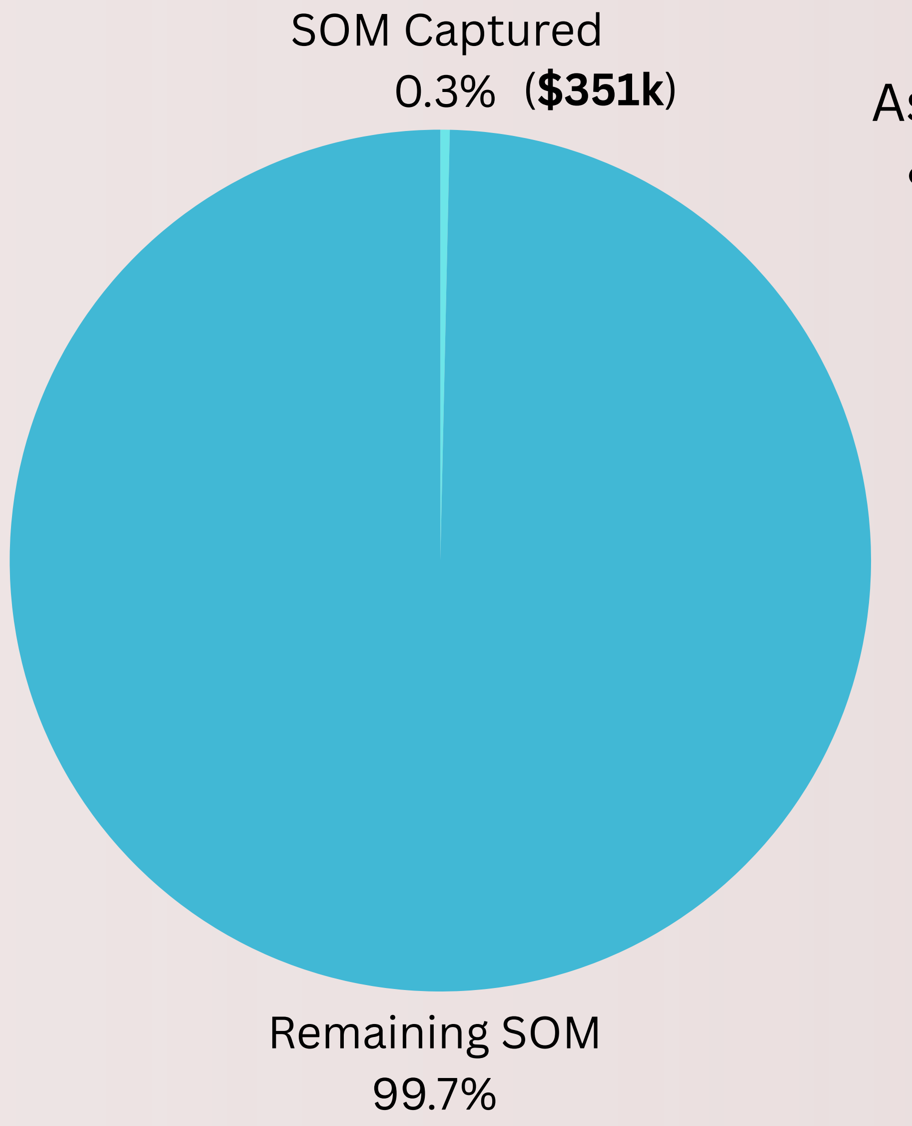
146 484 Total Users by Year 2
Nearly 3x user growth

$351 531 Revenue by Year 2
Achieved 3x Revenue growth

0.35% SOM Captured by Year 2
Expanding to capture 1%-5% of SOM in the next two years

$197 719 Premium Subscriptions Revenue by Year 2
Freemium-to-premium conversion rate: **10%**
Contribute to **56%** of total revenue





Assumption:
- **$100** million SOM

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