

SI 582 F23 Competitive Analysis

September 16, 2023 | Pearl Bradlee, Harrison Brown, Mya Dobbs, Rachael Zuppke (Team 2)

Problem Statement and Five Elements to Support our Solution

How might we improve the financial lives of people with low-incomes by developing an app that offers tools to improve financial literacy and savings? As we explore the current landscape of financial tech tools, we've identified the following elements that our solution needs to support to address this problem:

- Trust with users
- Interactive learning modules
- Personalized education
- Intergenerational approach to financial education
- Alert system for benefits/ information

Analysis of Competitors

Mobile Education: Duolingo

Analogous Competitor

Duolingo is one of the most popular language learning apps on the market. The application takes on a simple User Interface, and gamifies language-based education. Users can select what language(s) they want to learn and test out of certain portions of the learning modules.

Update: We chose to analyze Duolingo as an analogous competitor because it is an educational app. As one of the most popular language learning apps, Duolingo reveals that users are inclined to learn large topics and skills through incremental modules. This helped us better understand how users can learn via mobile apps through personalized and incremental learning.

Pros:

- The application offers a baseline free version for language learning
- The User Interface is straightforward, clean, and simple
- Duolingo engages its users to continue learning via a gamified approach to learning via streaks and point systems

Cons:

- The application nudges users to pay for hearts and other gamified options
- Although the gamified approach has benefits, the streak upkeep and challenges have resulted in some negative user reviews

Financial Management: Mint

Direct Competitor

Mint is a personal money management app from Intuit, the makers of TurboTax, that allows users to manage all of their financial accounts, create budgets, and view financial insights. Users link their financial accounts to get an overview of their financial health and improve their financial literacy.

Update: We chose to analyze Mint as a direct competitor because it is one of the most popular finance apps available, offering a wide variety of personal budgeting tools. Mint reveals that offering tools to link users accounts and provide tips based on the users financial goals help to create personalized experiences. This helped us better understand users' privacy concerns and

individualized approach to finances.

Pros

- Free to download and use (offers Mint Premium as a subscription model)
- The app is secure and uses VeriSign to give customers confidence that their financial data is securely transferred and protected with multi-factor authentication
- Supports various financial accounts including bank accounts, credit cards, mortgage accounts, investment accounts, and personal loans
- The app offers a wide range of features to give users a detailed overview of their financial health, including credit monitoring, alerts and reminders, net worth monitoring, and setting financial goals

Cons

- Can take users a while to set up as they link various accounts
- The app occasionally takes time to update data from linked accounts and may have a hard time linking accounts from smaller institutions
- Automatically categorizes transactions as they are imported to the app, however, these categorizations can be incorrect which requires the user to manually change
- Does not allow users to link joint accounts which makes it difficult for users who share accounts with a financial partner to view their overall financial health
- Promotes advertisements for financial products in the free version of the app which can feel intrusive to users.

Financial Education: Zogo

Direct Competitor

Zogo is an app developed by a past college student, Bolun Li, who wanted to build a way for people to better connect with important financial information. At its core, the app is a gamified approach to financial education where people can gain real-world gift cards and are “sponsored” by real-world institutions.

Update: We chose to analyze Zogo as a direct competitor due to the fact that Zogo is a financial education app. Zogo displays how gamifying financial education via bite sized learning modules and flash card sections can beneficially incentive and teach users about financial literacy in a streamlined way. This helped us better contextualize the gamified aspect to our product.

Pros:

- Free access to the app paired with realized financial incentives via gift cards from well-known institutions
- Simple gaming experience, quizzes, modules, and learning pathway are clear via a simple User Interface design within the mobile app
- The App’s Toolkit feature involves a centralized Car Loan calculator, Budget Calculator, and a goal tracker

Cons:

- The app does not appear to customize itself beyond a short list of topics a user can choose from
- The required company sponsors involve banking and credit union institutions which develops a questionable relationship between someone without financial literacy and a major financial institution
- Learning modules appear as simple flashcards and then directly proceed into quizzes, making the learning of the app appear to be not as robust as it could be

Financial Literacy for Kids: GoHenry

Direct Competitor

GoHenry, developed by Acorns, offers a debit card and financial literacy education application for kids and teens. Financial apps for kids and teens appears to be a growing market with several competitors. The product boasts a clean design that aims to teach kids how to “earn, save, and spend,” allowing kids to create savings goals and even donate to charity.

Update: We analyzed GoHenry, a direct competitor, to gain insight into applications designed for kids and teens, that foster interaction between parents and children around financial education. We learned that apps geared towards families generally include a financial product, such as an ATM card, and do not offer simultaneous learning experiences that allow children and parents to learn together.

Pros:

- Customizable debit card that allows parents to set-up recurring allowance deposits, and lets friends and family deposit to the card
- Account is FDIC insured
- “Money Missions” on the GoHenry app include videos and quizzes on financial topics that allows kids to earn points and badges
- Allowance and chore manager
- Parental controls

Cons:

- Plans begin at \$4.99/month after a 30-day free trial, which may be an out of reach expense for low-income families
- According to online reviews, GoHenry does not teach users about investing

Financial Services: Robinhood

Direct Competitor

Robinhood is a U.S.-based investment tool that anyone can use to invest in exchange-traded funds (ETFs) or public companies. It comes in both mobile app and website formats. Robinhood does not charge commission fees for users to trade and invest. Instead, they offer a premium service called “Robinhood Gold” for \$5 a month which gives users access to more features.

Update: We analyzed Robinhood as a direct competitor because of its popularity in the financial app sector. Robinhood includes investing focused educational articles and content as part of the platform and aims to engage with users. Depending on their financial goals, users may choose between our potential app vs. Robinhood. There is also the possibility for Robinhood to add more educational topics to their services (e.g. debit cards, savings accounts) which would expand into our products domain. We learned an advantage of lowering the barrier of entry as well as simplifying finances for our audience means more positive feedback.

Pros:

- Provides an affordable opportunity to invest for those who may not have one otherwise
 - Free stock options & No account minimum
- Provides Financial news and education
- UI looks very minimal and easy to navigate
 - Simple graphs/ visual learning to track market data trends
- Use of green (people may associate this with “money” “luck” or “success”)

Cons:

- Low barrier of entry means that there is a higher risk “Can invest with \$1 or \$1000”
 - Gamifying the stock market = people may be less likely to thoroughly consider the effects of their decisions
- Robinhood’s research tools are not as advanced as other platforms
- Limited types of investment
- Unreliable at times
 - They have faced lawsuits as well as serious complaints over the years

Local Financial Counseling: GreenPath

Analogous Competitor

GreenPath Financial Wellness offers free, confidential, financial counseling services over the phone. This service is advertised by Washtenaw County’s Office of Community and Economic Development, offering “debt counseling and management, bankruptcy, student loans, and housing concerns.”

Update: We reviewed Green Path, an analogous competitor, to better understand approaches being employed at the local level to address financial problems experienced by low and moderate-income individuals. In reviewing GreenPath, we identified additional financial education topics that may be more useful to our target demographic.

Pros:

- Offers individualized advice catered to the specific needs of user
- Covers financial areas that other services lack, such as housing concerns
- General financial, credit, and debt counseling are free

Cons:

- Requires disclosure of confidential financial information which may not be comfortable or convenient for all users
- The initial phone call to access services generally takes one hour to complete and may be too time consuming for some users
- Online interface may not be convenient for low-income users who do not have access to computers

Reflections & Lessons Learned

After conducting our competitive analysis we identified a split between financial education, digital learning, and parent-child interaction applications. The analogous competitor we identified, Duolingo, provides a strong usage of gamified language learning. Financial literacy apps like Zogo offer incentive-based financial literacy learning. Applications catered to children often have a financial product attached, namely a debit card, however parent-child learning was not emphasized. Additionally, the analysis highlighted the different ways applications request and utilize personal information. For instance Mint requires financial accounts to be linked, Robinhood requires linked accounts and deposits to the platform, and GoHenry requires deposits to the platform if using the debit card function. Other apps such as Duolingo, and Zogo require little personal information to be disclosed in order to utilize the app.

GreenPath was an outlier in the services reviewed, in that it is not technology based, but is a service that provides customized financial education. Unlike other competitors, GreenPath focused on issues such as housing, which was not a topic covered in other financial tools we reviewed. Overall, the competitive analysis allowed us to see what is currently on the market, and learn from what is being done well, and where there are gaps. Our largest take-aways are:

- There is a gap in the market for intergenerational learning and topics that may be more relevant to low-income families, such as housing and public benefits.
- With many budgeting and investing apps already on the market, we will continue to focus our app on financial education, and pivot away from elements that would require account linking and investment and banking products.