

Executive Summary

This report is designed to find profitable customer segments and provide feasible strategic recommendations as well as action plans for Raiz Invest.

To obtain a better understanding of Raiz's current situation and determine the existing competitive advantage of Raiz, a situation analysis is conducted from perspectives of political issues or stability, economic trends, socio-cultural factors and technological aspects. In general, the current industry situation seems to be beneficial for Raiz development no matter viewing from the domestic market or overseas market. The primary competitor for Raiz should be Spaceship Voyager as these two companies have the most common features such as low minimum investment amount.

Based on current customer data, two customer segments called Conservative Full-timers and Aggressive Freelancers are chosen as the most potential profitable customer groups. The former are males ageing from 29 to 45 who have the features of 'full-time job, middle-class income, long-term or general investment'. The latter are unemployed or self-employed individuals who have an aggressive investment target and behaviors. Four segmentation characteristics considered are demographic, geographic, psychographic and consumption behaviors where CLV and population are the key metrics.

Cross-selling strategy of cooperating with other business and advocacy strategy of operating in short-term and long-term are provided for Conservative Full-timers. Particularly, it could be done by encouraging clients to participate in CSR activities. For instance, virtual tree planning could be an acquisition strategy that promotes brand image in social media (LinkedIn, Facebook, etc). Retention strategy such as improving user app experience is well-suited for Aggressive Freelancers who tend to be more flexible in time management, spend more time on social media or apps. They are more profitable compared to retired people judging from the employment status in general.

Finally, this report gives an action plan in one year where every quarter is regarded as an individual phase. Phase one concentrates on project preparation and establishment while phase 2 to 4 focus on strategy implementation on a progressive order.

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A. Introduction

Raiz is an Australian financial service company that mainly serves as a platform for people to make a small or large amount of financial investment via Raiz mobile app. On the Raiz platform, customers could invest into a preferred diversified portfolio of exchange traded funds (ETFs) listed on the ASX automatically based on the customer's personal account of Raiz (Raiz, 2018a). It should be highlighted that Raiz Group was previously a joint venture company called Acorns Grow Australia and incorporated with Acorns US in Australia. The company type of joint venture ended in January 2018 as the 'Acorns US' became a minority shareholder. Hence the brand name of 'Acorn' was dropped, and the company was renamed as 'Raiz' later (Raiz, 2018a). Raiz generates revenue from four aspects which are respectively the maintenance fees, account fees, netting and third-party advertising or marketing leveraging off Raiz data. The customer base of Raiz is over 18 years old while the age range of primary customers is between 18 and 44 years old. In particular, those aged between 18 and 35 accounts for the largest percentage of the customer base which is 70% (Raiz, 2018a). On the other hand, Raiz has an expansion plan as it has established an office in Indonesia while the office has not started to operate yet. In the long-term, Raiz intends to expand its business to South East Asia market (Raiz, 2018a). Situation analysis, customer segment descriptions and lastly ACURA strategy and corresponding recommendations will be presented in our report. Based on the systematic analysis, a complete strategic suggestion towards maintaining customer relationship would be provided to Raiz. For Conservative Full-timers, average CLV, NPS, and DAU are regarded as KPI and should be increased. As for Aggressive Freelancers, NPS, RFM and CLV are our KPIs, thus expanding the number of new users, followers on Facebook or Instagram are the strategies.

B. Situation Analysis

B-1 Business Environment Analysis

The business environment analysis will be conducted from four aspects: political, economic, socio-cultural and technological.

B-1.1 Political

Viewing from the political aspect, there are two potential components needed to analyze from both domestic side and overseas side. On the one hand, Raiz has a plan of expanding the business to overseas countries where initial destinations are respectively the Indonesia and Malaysia. The expansion offshore is highly likely to enhance the development for the company while a problem of sovereign risk should be considered owing to the political instability and a changing landscape in these two countries (Independent Investment Research, 2018). On the other hand, due to the loss in confidence in confidence in Australian government and financial organizations arising from repeated leadership, the major customer base of millennials tends to be more financially risk averse. Such an outcome is highly likely to negatively impact the whole financial industry including Raiz. According to the research of Raiz in October 2018, 58% Australian millennials chose to save more money or spend less than six months ago where the number of people participated in the research is more than 1,000. In addition, 48% people have considered changing the investment strategy on the mobile-first micro-investment platform (Raiz, 2018b). Hence the revenue of Raiz is highly likely to be negatively affected by such an attitude.

B-1.2 Economic

To look closer to the economic aspect, domestic disposable income, GDP trend of initially selected countries for expansion and Australian superannuation volume could be further analyzed.

The increase in disposable income probably provides an opportunity for Raiz to raise more capital and earn revenue. The trend in Australia from January 2017 to July 2020 is shown below (Tradingeconomics, 2020).

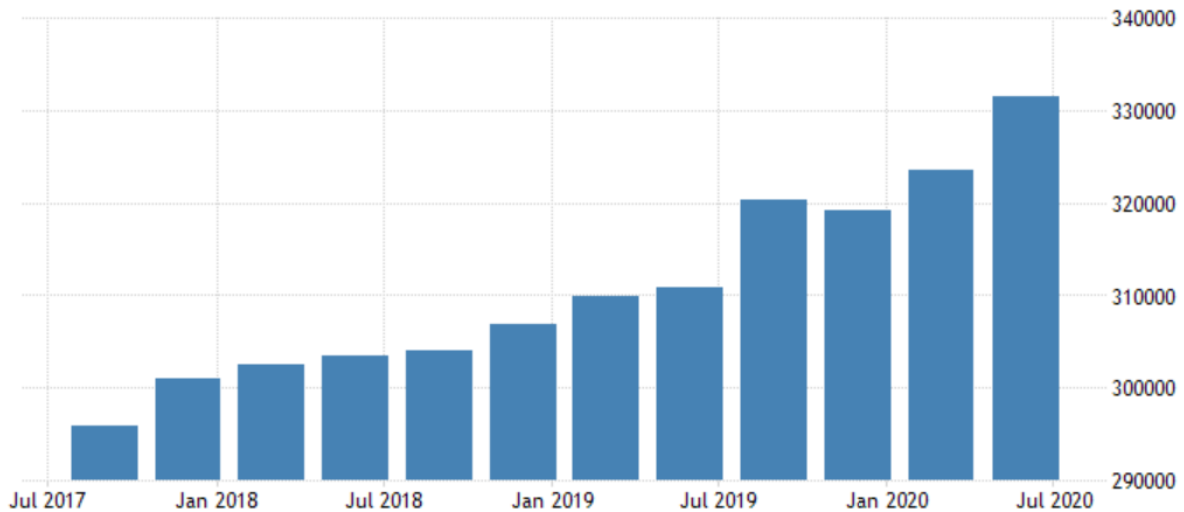


Figure 1. Disposable Income Trend in Australia from 2017 to 2020

Source: Tradingeconomics.com

It could be discovered that there is an approximately continuous increasing trend from 2017 to 2020. Generally, the capital collected by Raiz is highly reliant on the disposable income from customers which means that there should be a rise in the capital volume followed by the increase in the disposable income of customers.

Malaysia and Indonesia are determined to be the initially expanding country as a result of the GDP development trend which could give Raiz a growth opportunity. The World Bank (2018) provides an annual GDP growth comparison among three countries and global level from 2015-2017 and predicting the GDP growth from 2018 and 2020. The histogram is shown as following:

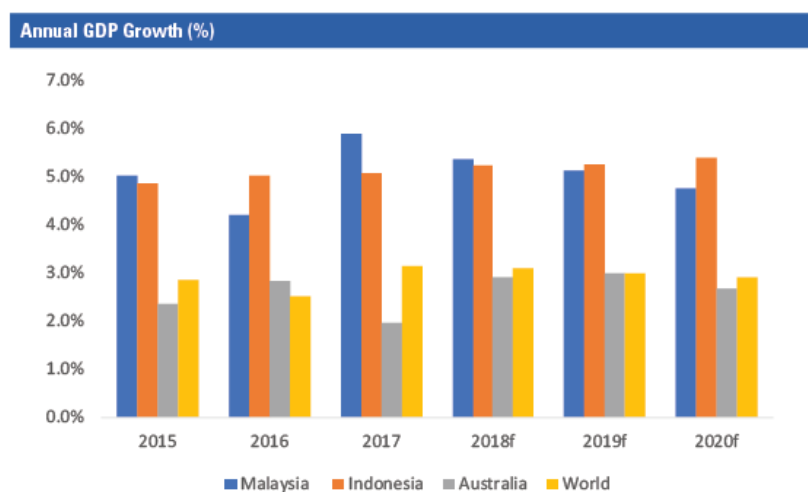


Figure 2. Annual GDP Growth Percentage from 2015 to 2020

Source: The World Bank

It could be seen that the GDP growth in Indonesia and Malaysia are significantly larger than Australia and world level from 2015 to 2017. Additionally, both Malaysia and Indonesia are predicted to experience significant GDP growth. Based on the forecasts by the World Bank, Malaysia GDP growth would reach 4.8% while Indonesia would increase to 5.4% in 2020 (Independent Investment Research, 2018). The considerable GDP development is likely to make individuals have a greater desire for investment, thus bringing benefits to Raiz.

The growing volume of superannuation in Australia would help Raiz to earn greater revenue in the future. It should be highlighted that Australians make an investment either personally or through contributions to their superannuation (Raiz, 2018a). Therefore, the superannuation volume seems to affect the development of Raiz. From the report of Raiz in 2018, it is discovered that on a global scale, Australia is ranked as the fourth country in terms of the pension market, after the United States, United Kingdom and Japan. According to the Association of Superannuation Funds of Australia (2018), the total superannuation fund is expected to experience continuous growth to 5 trillion in 2030 as a mandatory rate for superannuation is required to increase from 9.5% to 12% by the Australian government. The forecasts for superannuation fund histogram are shown as following:

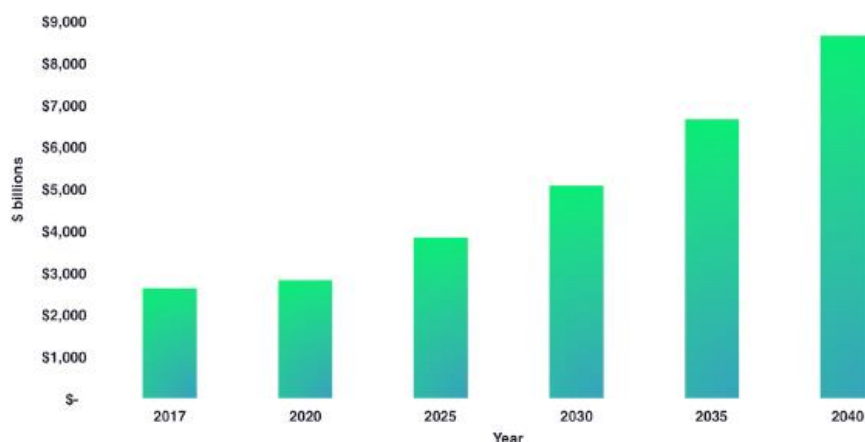


Figure 3. Forecasts of Superannuation Fund from 2017 to 2040

Source: Treasury RIM Group

Hence, it is rational to believe that managed funds of Raiz would rise in the following decades. In particular, Raiz has a financial product called Raiz Invest Super which requires the customer to register another Raiz Invest Super Account and pay additional managing fees for this account except for the fees for managing Raiz Investment Account, hence the revenue of Raiz would probably to increase (Raiz, 2018a).

B-1.3 Social-Cultural

Population Growth					
Millions	1990	2000	2010	2017	2050f
Australia	17.1	19.2	22.0	24.6	37.6
Indonesia	181.4	211.5	245.5	264.0	322.2
Malaysia	18.0	23.2	28.1	31.6	40.7

Figure 4. Population Growth Trend Comparison from 1990 to 2050

Source: Population Pyramid

The population growth in expansion countries of Malaysia and Indonesia plays an important role for Raiz development. Figure 4 above shows a population growth summary of Australia, Indonesia and Malaysia (Independent Investment Research, 2018). Malaysia showed a significant increase in the population where the population had increased by 75.6% from 1990 to 2017. The population is forecasted to grow 28.8% to reach 40.7 million in 2050. Indonesia's population grew 45.6% from 1990 to 2017 to 264 million which showed a slower increasing rate compared with Malaysia. The expected population in 2050 will be in excess of 300 million (Independent Investment Research, 2018). Such a population base in these two countries provides a significant market for Raiz.

B-1.4 Technological

This aspect will be analyzed from two factors which are respectively smartphone usage and Robo-advice.

There is increasing popularity of smartphone usage globally which would accelerate the development of Raiz. It is known that the Raiz owns a unique market position owing to its mobile first micro-investing platform which is operated through Raiz application or website. Australia is the country which owns a high smartphone adoption rate of 88% of the total population (Raiz, 2018a). To be more specific, the adoption rate of smartphone among millennials has reached 95%. Besides the domestic market, the future market of South East Asia also has a high smartphone usage level. More than 90% individuals living in the urban area are smartphone users and approximately 3.6 hours spent on mobile Internet per day by those individuals. Such a high level of engagement could cause more individuals to have access to online financial services or products (Raiz, 2018a).

Robo-Advisor has gained increasing popularity in recent years which encourages more competitors to enter this market. Robo-Advisor should be seen as finance technology which is operated based on the algorithm (Singh & Kaur, 2017). Such a new technology could provide customers with a unique investment strategy based on personal demand such as available capital. Raiz could try to implement

the current algorithm to apply the Robo-advisor, thus being one of the first movers in the Australia market. The advantage of first mover is likely to maintain more customers once the customer loyalty has been established.

B-1.5 Competitive Landscape

There are a host of competitors in the Australia finance service market such as Clover, Stockspot, Quiet Growth and Spaceship Voyager. The companies of Clover, StockSpot, Quiet Growth seem not to be the strongest competitors as the minimum investment amount for those companies range from \$2000 to \$2500 and financial advice will be provided to customers (Independent Investment Research, 2018). The primary competitor for Raiz should be Spaceship Voyager as both two companies have low minimum investment amount and there are no finance suggestions provided to customers to help investors choose the most suitable investment option. Besides, the customer base of Spaceship Voyager is similar to Raiz where the age range is 20-40 (Independent Investment Research, 2018). Additionally, both two companies provide the superannuation product where the funds are similar.

There are five differences between Raiz and Spaceship Voyager needed to highlight (Banney, 2019):

- **Portfolio options:** Investment options provided by Raiz are divided into six categories, which are respectively the Conservative, Moderately Conservative, Moderate, Moderately Aggressive, Aggressive and an extra Emerald portfolio. Spaceship Voyager only offers two options for customers which are Spaceship Index Portfolio and Spaceship Universe Portfolio.
- **Investment strategy:** Raiz provides an investment of Exchange Traded Funds (ETFs) while the Spaceship Voyager invests in the selected portfolio consisting of stocks.
- **Charging fees:** For Raiz, investors who hold a balance of \$5000 or less will be charged \$1.25 every month. The balances above \$5000 will be charged 0.0275% every year. For Spaceship, no fees will be charged for those balances less than \$5000. However, the balances above \$5000 will be charged fees based on the investment type while for both types the charging ratio is not greater than 0.10%.
- **Risk level:** Raiz provides six portfolios which have distinguished risk level from low to high while the investment options of Spaceship Voyager only consist of high-risk stocks of listed companies.
- **Payment options:** Raiz customers could choose Round-up payment method which puts spare change into account while there is no similar payment method in Spaceship Voyager.

B-2 Evaluating Current CRM Activities

The business model is sustainable only if a firm could create value for customers; that is, from the economic perspective customers could maximize their utility when purchasing goods or services (Kumar & Reinartz, 2018). Specifically, customer Relationship Management (CRM) is one approach that enables companies to create and deliver greater value in order to win, develop and keep profitable customers (Buttle & Maklan, 2019). This section will mainly discuss what CRM activities Raiz employs for customer acquisition, retention, development and advocacy.

B-2.1 Acquisition, Retention, Development and Advocacy

B-2.1.1 Customer Acquisition

- **Making investment simple and efficient:** Raiz's business is to provide a micro-investing product that helps customers achieve their financial goals without requiring investment knowledge. Four features are established on the Raiz smartphone application to make the investment more flexible, such as round-ups, lump sums and recurring deposits (Raiz, 2020a). This makes the whole investment process much simpler as it does not require customers to transfer money to the investment account each time when having spare change, everything is done automatically. This creates value for customers who want to keep investing spare money but also save time on checking the investment account. Furthermore, Raiz has constructed 6 types of investment portfolios, ranging from conservative to aggressive, to satisfy customers who have different risk preferences (Raiz, 2020b). What customers need to do is to choose one of the investment styles that may meet their expectations through the smartphone application. This improves the efficiency of the investment process and creates value for customers who do not have advance knowledge of investment but still could make reasonable returns based on their financial goals.
- **Making investment more accessible to customers:** To trade in Raiz's platform requires no account minimums and no commissions. This is beneficial to almost everyone, especially small investors. Compared to large financial institutions that have certain requirements for capital, trading costs and knowledge, Raiz's products make the investment more accessible to everyone (Raiz, 2020b). People who have a limited amount of money and knowledge are more likely to be attracted by Raiz platform.

B-2.1.2 Customer Retention

- **Raiz Rewards:** Raiz Rewards is Raiz's loyalty program, in which % of the product's price will be invested back to the customer's investment account. There are many popular brands involved in this program, such as Apple, Airbnb Host and Adidas. As the age of their target customers is between 18 to 44, they are more attracted to these brands (Raiz, 2020b). It is a beautiful thing that when they are buying, they are also investing. In addition, this loyalty program increases the opportunity cost for customers to switch to other investment products. Therefore, Raiz Rewards is able to help the company 'lock' their target and profitable customers.
- **Improving the customer experience of the Raiz platform:** Raiz applies a customer-centric approach and devotes resources to improving Raiz platform and providing new features that are most suitable to their target customers based on their feedback (Raiz, 2020b). That could enhance customer loyalty to Raiz platform and create 'bonding' between them.

B-2.1.3 Customer Development

- **Enhancing customer experience by developing more services:** Raiz has used machine learning and artificial intelligence to further develop more user-friendly services, such as My Finance that is provided to analyze each customer's financial condition, predict their future cash flow and provide help to managing their finances (Raiz, 2020b). This diversifies the use of the Raiz platform and makes it more than just 'an investment application'. Raiz strengthens the relations between its platform and the customer's life.
- **Keeping the growth by exploring the potential of current customer base:** Raiz has designed Raiz Invest Super that is related to superannuation investment, which gives customers new motivation to invest money.

B-2.1.4 Customer Advocacy

- **Offsetters – Corporate Social Responsibility (CSR):** CSR is a concept that a company incorporates social and environmental problems into its business operations and has positive impacts on consumer advocacy behaviors (Castro-Gonzalez, Bande, Fernandez-Ferrin, & Kimura, 2019). In this case, Raiz has offered an environment-friendly program called Offsetters that intends to reduce carbon footprint. 5% of membership fees will be donated to an Australian disaster relief fund and members will have chances to be rewarded a great prize each month (Raiz, 2020b). Consequently, customers could have feelings of admiration for the

company and that may positively affect their advocacy behaviors. Also, the reward system creates motivation for customers to participate.

B-2.2 Weaknesses and Strengths

B-2.2.1 Customer Acquisition

- **Strength:** there is production differentiation in Raiz platform in which buying investment products requires no transaction costs, no commissions and no account minimums. Also, Raiz provides a personalized investment portfolio focusing on a niche market where people do not have advance knowledge of investment. All these make Raiz investment products more accessible and the market has no substitutes, which help the company generate competitive advantages.
- **Weakness:** Raiz does not provide choices to people who are knowledgeable about investment and want to buy stocks, options or futures. This makes the company harder to reach economies of scale.

B-2.2.2 Customer Retention

- **Strength:** many brands involved in Raiz Rewards are popular, which could highly increase customer loyalty.
- **Weakness:** this reward system is easier to be replicated.

B-2.2.3 Customer Development

- **Strength:** Raiz has devoted resources to diversify its investment product, providing more attractive features rather than just about investment. This makes it more unique in the market and creates more chance of developing customer relationships.
- **Weakness:** But it takes higher costs to differentiate and develop new features for the product. There is also a higher chance that the smartphone application may become too complicated if Raiz does not fully understand what customers really want.

B-2.2.4 Customer Advocacy

- **Strength:** Offsetters is launched as a CSR program that could enhance company reputation and positively impact customer behaviors of advocacy.
- **Weakness:** To participate in the program requires membership fees and the chance to get rewards is little, which creates insufficient motivation for customers to participate.

B-2.3 Areas Need to be Improved and Justified

B-2.3.1 Customer Acquisition

- **Providing more options for investors:** the strategy of focusing on a niche market makes the company harder to achieve economies of scale. It could consider expanding the business by providing more options for different types of investors, especially for those who have a comprehensive knowledge of finance.

B-2.3.2 Customer Retention

- **Exclusive collaboration with popular brands:** Raiz could consider to exclusively collaborate with popular brands to create a reward system that is extremely harder to be replicated. This may increase costs but it is easier to establish long-term relationships with customers.

B-2.3.3 Customer Advocacy

- **Adjusting the reward system of CSR program:** the reward does not have to be high-priced products as its purpose is to encourage customers to participate. Raiz could consider providing rewards that have a lower marginal cost, such as online investment courses so that each customer has a higher chance to win.

B-2.4 Business Model Canvas

- **Key partners:** Raiz has provided rewards to their customers to increase brand awareness and customer loyalty by giving real cashback to their investment accounts when they purchase from Raiz's rewards partners, such as eBay, Samsung, Apple, Uber and so on.
- **Key activities:**
 1. Raiz provides a micro-investing product through which different types of investment portfolios are offered to customers with different risk preferences without requiring them to have a comprehensive knowledge about investment.
 2. Raiz incorporates social and environmental problems into its business operations by promoting Offsetters program.
 3. Raiz also provides financial consultation to fulfil the needs of some customers.
- **Key resources:**
 1. A huge amount of capital – cash on hand.
 2. Skilled staff: technical professionals and financial experts.

3. Big data generated from a huge customer base that could be applied to machine learning and artificial intelligence.
 4. Intellectual properties: brand, patents or data.
- **Key proposition:**
 1. Making investment simpler and efficient.
 2. Making investment more accessible to everyone.
 3. Making a positive contribution to society.
 - **Customer relationships:** Raiz has built trust-based relations with customers so that they are willing to deposit money in Raiz account.
 - **Channels:**
 1. Investment products are provided to customers through smartphone or internet applications.
 2. Social media or website forum are for communication between customers and Raiz.
 - **Customer segments:** more information about this part will be further developed in the latter part of this report based on the data provided.
 1. Age: 87% of customers are between 18-44 (Raiz, 2020b).
 2. Sex: above 60% of customers are male.
 3. Different risk preferences correspond to 6 types of investment portfolios, ranging from conservative to aggressive.
 - **Revenue streams:** there are four methods for Raiz to generate revenue (Raiz, 2020b)
 1. Maintenance fees: customers who have below \$10,000 in their investment account will be charged maintenance fees, \$2.50 per month.
 2. Account fees: for an account with a balance of over \$10,000, it will be charged 0.275% per year.
 3. Netting.
 4. Payments from third parties for advertising and marketing by using Raiz data.
 - **Cost structure:**
 1. Employee benefits.
 2. Information technology.
 3. Payment transactions and transaction monitoring.
 4. Marketing.

C. Customer Segment Descriptions

Table 1. Customer Segment

Variables	Sub-variables	Conservative Full-timers	Aggressive Freelancers
Gender	Male, Female	Male	ALL
Age	15-19, 20-24, 25-29, 30-34, 35-39, 40-44, 45-49, 50-54, 55-59, 60-64, 65-69, 70-74, >=75	25-29, 30-34, 35-39, 40-44, 45-49	ALL
Portfolio ID	Conservative to Moderate = 1, 2, 3 Moderate Aggressive = 4, 6 Aggressive = 5	ALL	4, 5, 6
Income	1, 20001, 50001, 100001, 250001	50001, 100001	ALL
Employment	Full-Time, Part-Time, Retired, Self-Employed, Student, Unemployed	Full-Time	Self-Employed, Unemployed
Reason to invest	Children, General, Long-term, Major Purchase, Short-term	Long-term, General	ALL
Occupation		ALL	ALL
State	ACT, NSW, NT, QLD, SA, TAS, VIC, WA	ALL	ALL
Investment time horizon	5, 10, 15, 25, 100	ALL	ALL

C-1 Detailed Description of the Two Segments

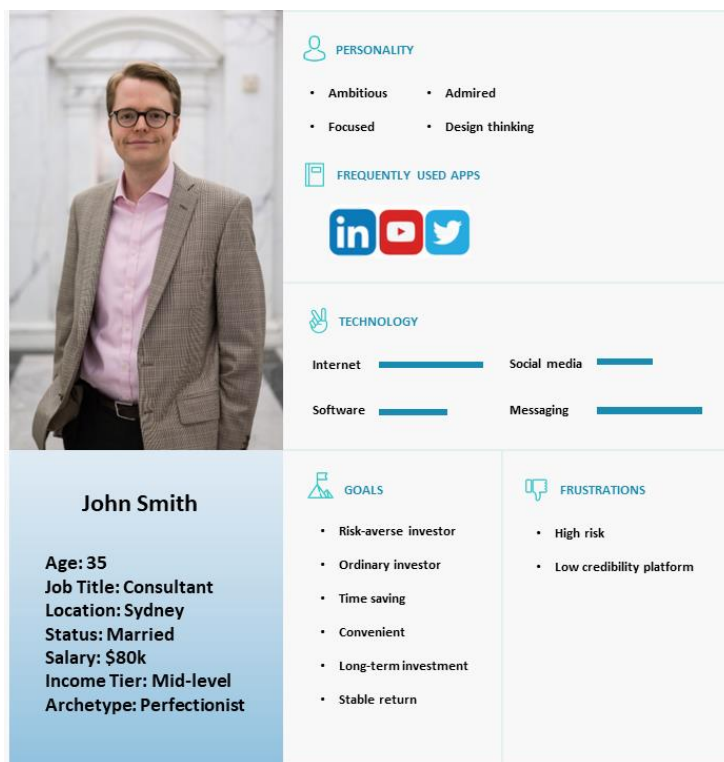


Figure 5. Persona of Conservative Full-timers

Description of Conservative Full-timers:

25-49 years old, male, has a full-time job with a middle-class income, targeting a long-time or general investment.

Conservative Full-timers refers to male individual investors, aged 25-49. They are the major users of social media who are familiar with digital services (Hughes, 2019). They think making the investment with Raiz is time-saving and convenient. Most of them are salaried employees with a middle-class income, who generally hold basic jobs or middle-level jobs in the workplace. They represent the ordinary investors, who invest for the purpose of either long-term investment or general investment, mainly just want to make savings.

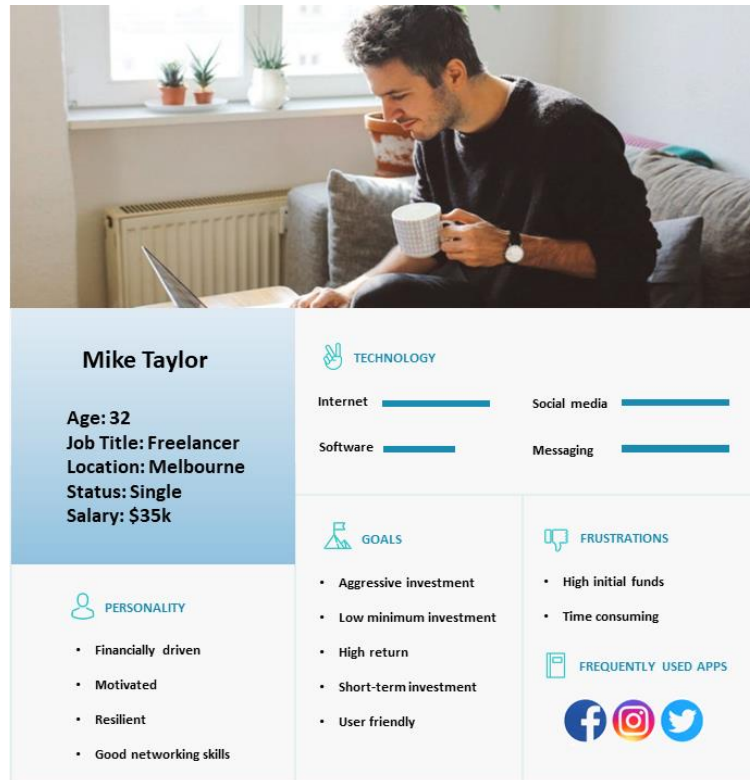


Figure 6. Persona of Aggressive Freelancers

Description of Aggressive Freelancers:

Unemployed or self-employed, preferring aggressive investment.

Aggressive Freelancers refers to an unemployed person or freelancers who may not have sufficient savings or funds. Micro investments, such as Raiz, have low barriers to entry and are well suited to them. The main purpose of their investment is not making savings but to obtain higher returns. Thus, they prefer aggressive investment, hoping that higher risk will give them a higher return. Gender and age factors are indifferent in this segment.

C-2 Description of Variables

Segmentation is grouping the market into differentiable and independent divisions. Such divisions could help the company to identify the characteristics of customers, so as to find the target group and making corresponding strategies (Armstrong, Adam, Denize, Volkov & Kotler, 2017). Segments are based on four types of criteria: geographic, demographic, behavioral and psychographic (Armstrong et al., 2017). Details are shown as following:

Demographic: Age; Gender; Yearly Income; Net Wealth; Occupation; Employment

Behavioral: Investment Portfolio ID; Investment time horizon

Psychographic: Reasons to invest

Geographic: States

All the numerical variables are significant according to the ANOVA test.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	147665367.662	1	147665367.662	60.471	.000 ^b
	Residual	29522878826.766	12090	2441925.461		
	Total	29670544194.429	12091			

a. Dependent Variable: CLV

b. Predictors: (Constant), User.Profiles.Age

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	51479635.930	1	51479635.930	21.013	.000 ^b
	Residual	29619064558.499	12090	2449881.270		
	Total	29670544194.429	12091			

a. Dependent Variable: CLV

b. Predictors: (Constant), Gender

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	118139211.055	1	118139211.055	48.331	.000 ^b
	Residual	29552404983.374	12090	2444367.658		
	Total	29670544194.429	12091			

a. Dependent Variable: CLV

b. Predictors: (Constant), Suitability.NetWealth

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	66256483.418	1	66256483.418	27.058	.000 ^b
	Residual	29604287711.010	12090	2448659.033		
	Total	29670544194.429	12091			

a. Dependent Variable: CLV

b. Predictors: (Constant), Suitability.Yearly Income

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33232392.222	1	33232392.222	13.557	.000 ^b
	Residual	29637311802.207	12090	2451390.554		
	Total	29670544194.429	12091			

a. Dependent Variable: CLV

b. Predictors: (Constant), Suitability.Time Frame

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	96075457.831	1	96075457.831	39.276	.000 ^b
	Residual	29574468736.598	12090	2446192.617		
	Total	29670544194.429	12091			

a. Dependent Variable: CLV

b. Predictors: (Constant), User.Portfolios.Portfolio ID

Figure 7. ANOVA Test for All the Numerical Variables

C-3 Determination of the Two Segments

The customer lifetime value and the number of customers will be used to evaluate which type of customers or the characteristics of the customers are most valuable to Raiz.

C-3.1 Demographic

- Gender:** In terms of the gender factor, **male** customers have a higher CLV, which counts towards 68.77% of the total CLV. Also, there are more **male** customers (62.64%) than female customers (37.36%).

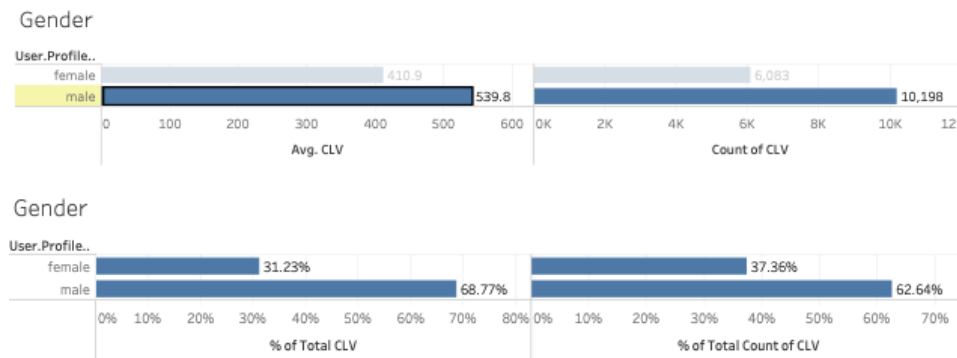


Figure 8. Gender

- Age:** Regarding the age factor, most customers of Raiz are people of age between **20 to 49** (88.87%), they have contributed to 86.92% of the total CLV.

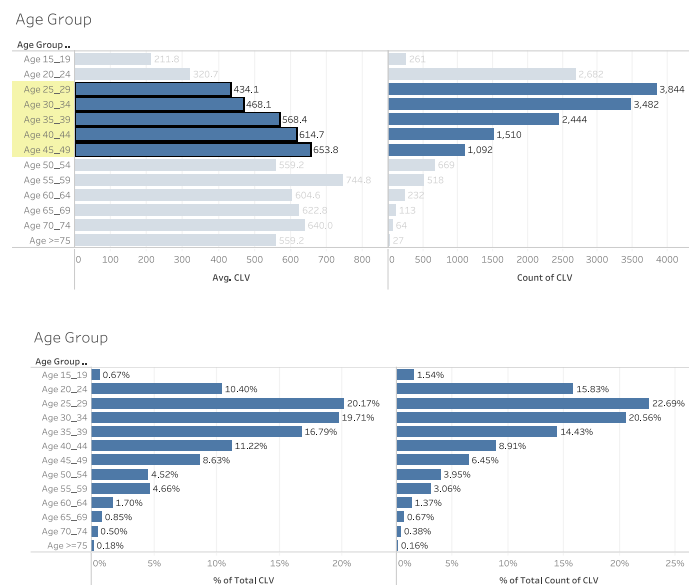


Figure 9. Age Group

- Income:** In terms of income, the group with the highest CLV are those who have a yearly income of around **\$50,000 to \$10,000**. Followed by people who have a yearly income of around \$100,000 to \$250,000. These two groups account for 59.48% of the total population. This means that most investors are from middle-class.

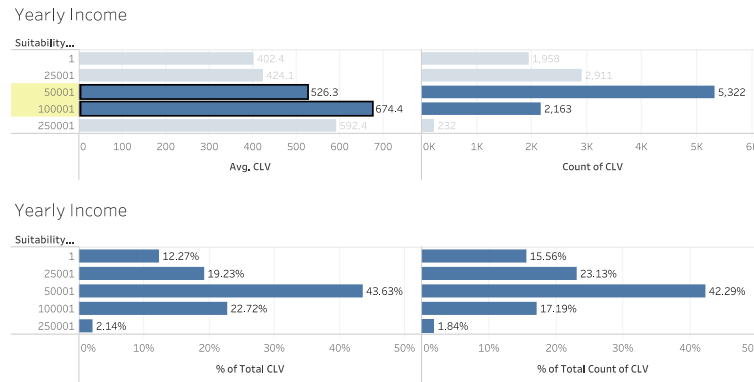


Figure 10. Yearly Income

- Employment:** For the employment factors, the majority of the investors are having **full-time** jobs, and they are contributing to most of the CLV (62.01%). While **self-employed and unemployed** investor are ranking highly in average CLV with 637.8 (per customer) and 542.8 (per customer), meaning that these groups are also valuable to Raiz.

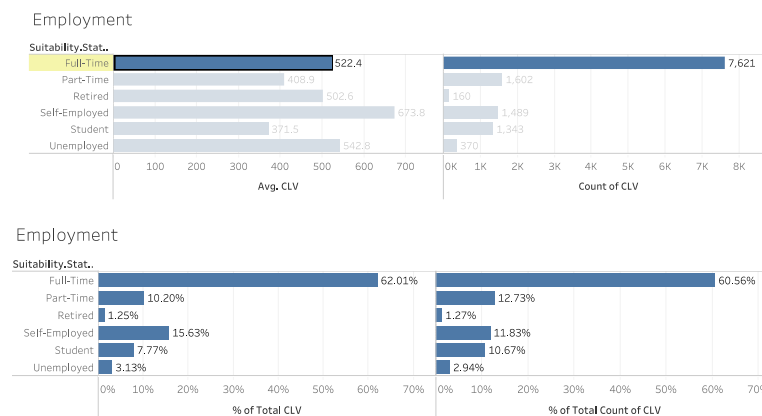


Figure 11. Employment

- Occupation:** Customers' occupations are diversified (Figure 12). There are relatively large numbers of consultants, business owners, accountants, director and doctors. On the other hand, teachers, small business owners, investors, consultants have a relatively higher average CLV.

Occupation word cloud (counts of clv)



Occupation word cloud (average clv)

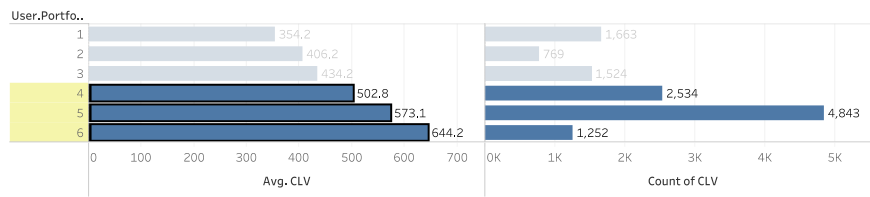


Figure 12. Occupation

C-3.2 Behavioral

- **Portfolio ID:** In terms of the portfolio selection, **portfolio 4, 5 and 6** are popular among customers (Figure 13), 70.73% of investors have chosen these three portfolios. Among them portfolio 6 have the highest average CLV of 644.2 (per customer), meaning that most investors prefer aggressive investment.
- **Investment time horizon:** Investment time of 25 years and 100 years have a relatively higher average CLV (Figure 14). While investment time of 5 years (37.22%) and 10 years (23.36%) have relatively higher counts of CLV.

Portfolios ID



Portfolios ID

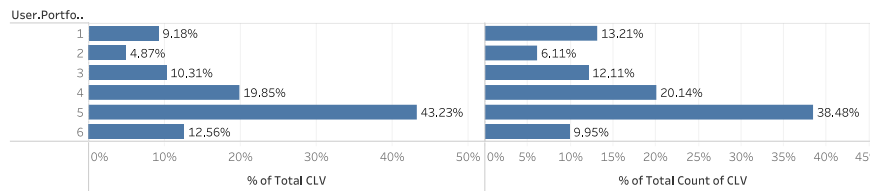


Figure 13. Portfolios ID

Investment time horizon

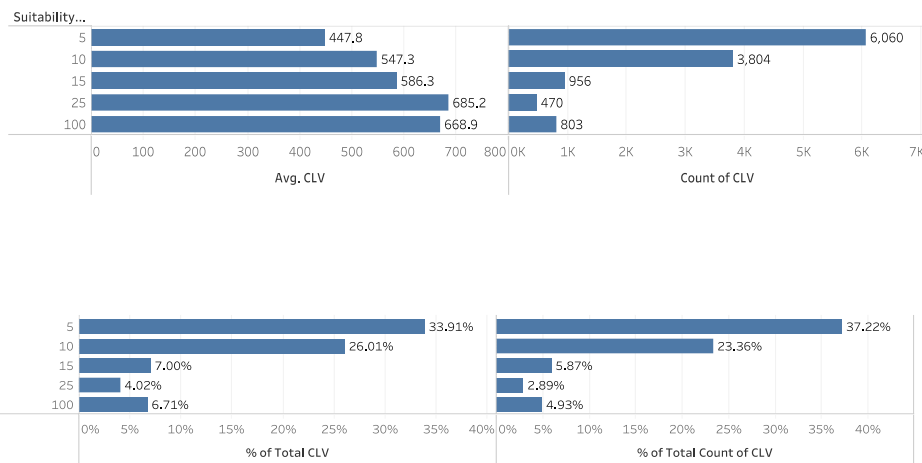


Figure 14. Investment Time Horizon

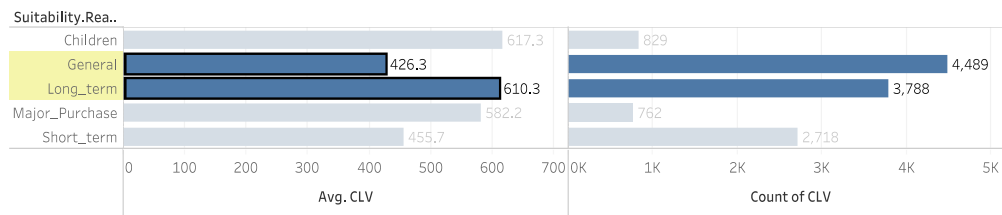
C-3.3 Psychographic

- **Reasons to invest:** Regarding the invest reasons, 35.67% of investors are making the **general investment**, following by 30.10% of customers for **long-term investment purpose**. These two types of investors count towards 65.82% of the total CLV.

C-3.4 Geographic

- **States:** There is no obvious difference among the average CLV of each state (Figure 16). However, for the counts of CLV, NSW, VIC and QLD have a higher score, which indicates that the majority of customers are from NSW, VIC and QLD.

Reasons to invest



Reasons to invest

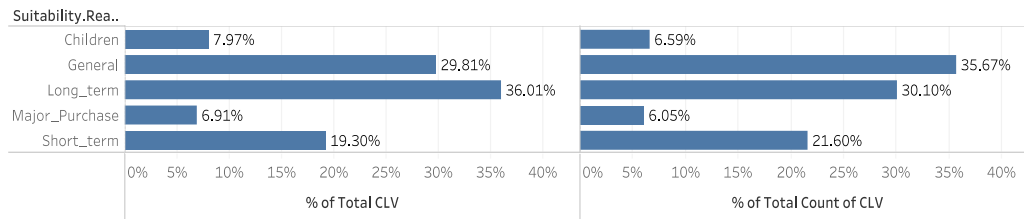
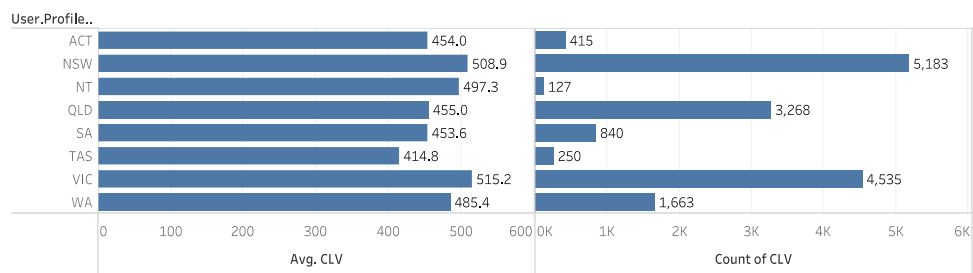


Figure 15. Reasons to Invest

State



State

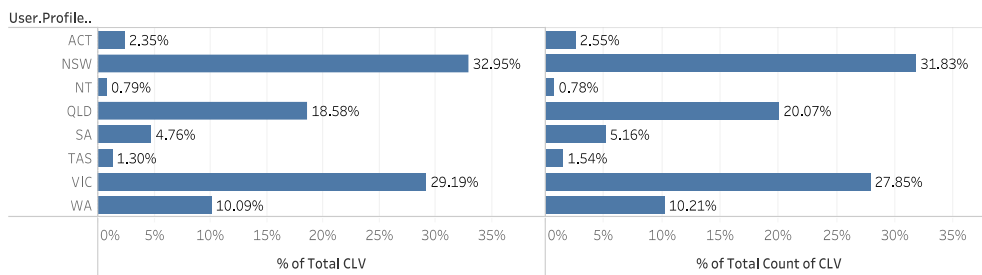


Figure 16. State

- **Crosstab analysis** (how Segment 2 is determined): For the customers who have chosen portfolios 4, 5, and 6, freelancers and unemployed people have a relatively higher CLV.

Portfolios 4,5,6 (Moderate aggressive to aggressive) & Employment

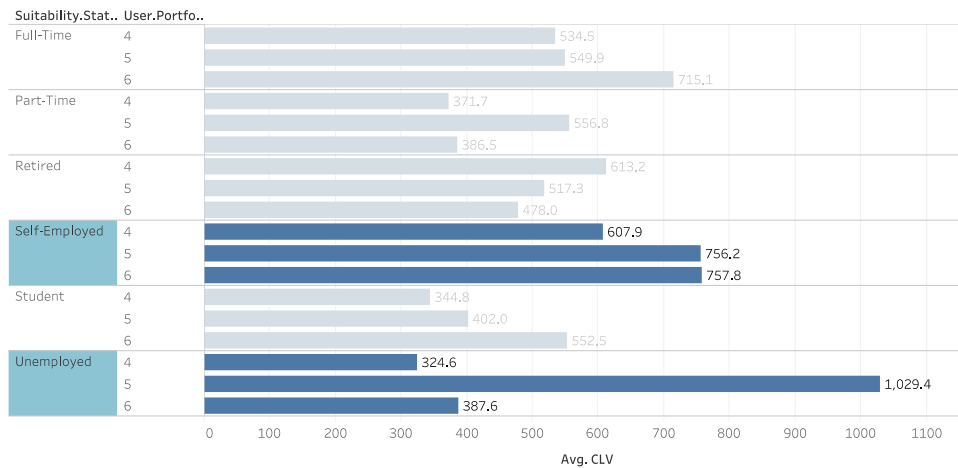


Figure 17. Portfolios 4, 5 and 6 & Employment

C-3.5 Conclusion

After evaluating all the factors, two segments have been chosen.

Conservative Full-timers:

Variables: gender, employment, age, income and reason to invest are relevant to this segment. For each variable, the parts which have relatively higher CLV and higher counts of CLV are selected. They are Male; Age 25-49; income 50001-100001; full-time; general/long-term investment purpose. For this segment its counts of CLV is 2,288 (out of 16,281), its average CLV is 609.33(per customer).

Segment 1

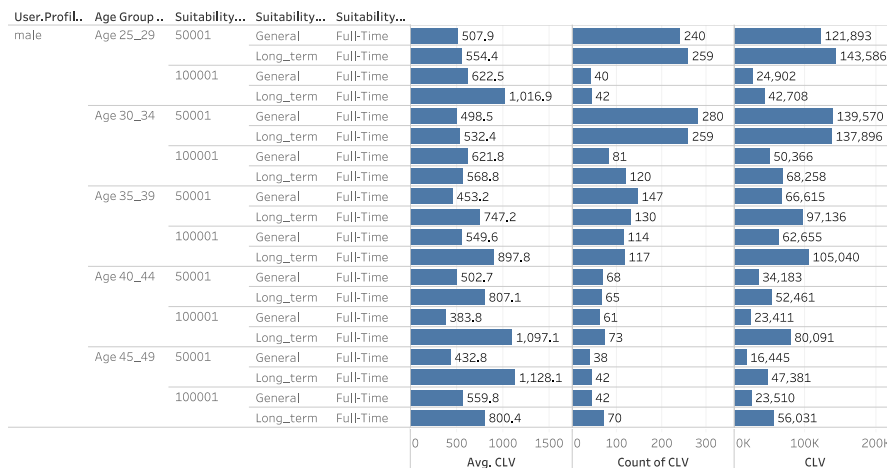


Figure 18. Segment 1-- Conservative Full-timers

Aggressive Freelancers:

Variables: employment and portfolio IDs are relevant to this segment. Portfolio 4,5 and 6 are selected as they contribute largely to the total CLV and have a higher count of CLV. On the other hand, although self-employed and unemployed have a relatively lower count of CLV, their average CLV are extremely high. Thus, these parts are still considered valuable. For this segment the counts of CLV is 1,174 (16,281), its average CLV is 735.21 (per customer).

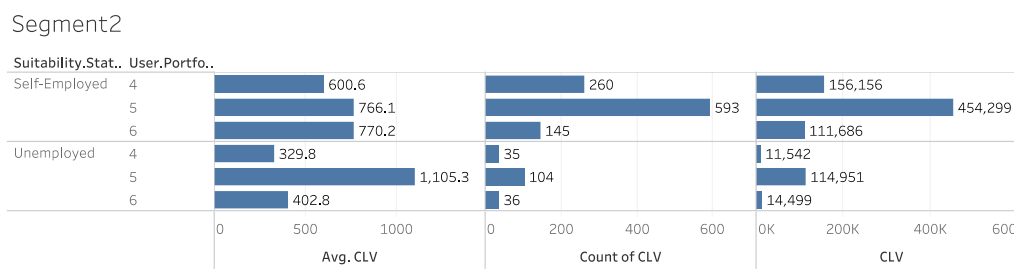


Figure 19. Segment 2 -- Aggressive Freelancers

C-4 Evaluating Segment

C-4.1 Measurable

In Raiz, investors are primarily making investments through online channels. Thus, basic information such as gender, age and states, could be easily captured through the registration process. For private information such as income, occupation, investment reasons, a questionnaire could be sent through e-mail attaching with some discount policy. For behavioral and psychographic information (investment amount, investment preference), these can be obtained through customers' real investment action.

C-4.2 Actionable

The two segments have differentiable characteristics. Corresponding strategies could be used to attract consumers, these strategies will be discussed in the next chapter.

C-4.3 Accessible

For existing consumers, the latest information of Raiz could be sent to them through mobile app, text message or e-mails. For potential investors, both Conservative Full-timers and Aggressive Freelancers cover the age group who are active in social media (Hughes, 2019). Thus, effective information could be spread through online platforms such as Facebook or Instagram.

C-4.4 Differentiable

Conservative Full-timers has restrictions on age, gender, income, and investment preferences. Conservative Full-timers mainly refers to male investors of working age, who have a full-time job with a stable income. Their investment purpose is savings, and their investment preference is a long-term investment. For Aggressive Freelancers, no distinction was made between age and gender, but this segment is still differentiable. As it only targeting unemployed or self-employed investors, who are seeking a higher return from an aggressive investment.

C-4.5 Substantial

Variables of gender, employment, age, income and reasons to invest are relevant to Conservative Full-timers. For each variable, the parts which have relatively higher CLV and higher counts of CLV are selected. For this segment, its counts of CLV is 2,288 (out of 16,281), and its average CLV is 609.33 (per customer). For Aggressive Freelancers, portfolio 4, 5 and 6 account for 68.57% of the total CLV. Self-employed and unemployed rank in the 1st and 2nd in average CLV, with 673.8 and 542.8 (per investor) respectively.

C-5 Competitors Analysis

Micro-investment is a relatively new concept in Australis, up until 2020 there are only two major players in this industry: Raiz and Spaceship Voyager (Falk & Purcell, 2020). However, Commonwealth Bank has launched a platform -- CommSec Pocket which offering similar service as micro investments. Therefore, the following comparison (Figure 20) will be made among these three (Falk & Purcell, 2020).

Conservative Full-timers refer to ordinary investors, among the three options, Raiz may not be their first choice. As these investors are seeking long-term and stable investment, minimum investment requirement is not a matter for them. Commonwealth Bank is the largest and well-known bank in Australia (Falk & Purcell, 2020), many Conservative Full-timers investors may choose Commsec Pocket as their first choice because of its reputation or only because they already have Commonwealth Bank app downloaded in their mobile phone.

For Aggressive Freelancers, Raiz has the most advantages. In terms of the minimum investment amount, both Raiz and Spaceship Voyager have set a low requirement, which is the best choice for self-employed and unemployed investors. In terms of the portfolio selection, comparing to Spaceship

Voyager, Raiz offers more choices. On the other hand, the portfolios offered by Raiz containing a mix of ETFs, which means instead of investing directly in ETFs. Professionals have made the decision for investors. They have provided six mixed portfolios with different risk level for customers to choose from.

Platform	Fees	Minimum investment	Investment options
Raiz Invest	<ul style="list-style-type: none"> • Brokerage. \$0 • Subscription. \$2.50 per month for a balance of <\$10,000 or 0.275% per year for a balance > \$10,000; 	\$5	Choose from 6 portfolios containing a mix of ETFs based on risk level.
Commsec Pocket	<ul style="list-style-type: none"> • Brokerage. \$2 per trade <\$1000 or 0.2% of trade value >\$1000 Subscription. \$0 	\$50	Invest directly in a selection of 7 ETFs.
Spaceship Voyager	<ul style="list-style-type: none"> • Brokerage. \$0 • Subscription. Balance <\$5,000: \$0. Spaceship Index Portfolio balance > \$5,000: 0.05% per year. Spaceship Universe Portfolio balance > \$5,000: 0.10% per year. 	\$0	Choose from 2 portfolios: The Spaceship Index Portfolio (index fund) or the Spaceship Universe Portfolio (managed fund). These invest funds into hundreds of Aussie and global shares and cash, rather than ETFs.

Figure 20. Micro-Investment App Comparison

Source: <https://www.finder.com.au/what-is-micro-investing>

C-6 Definition of CLV, Revenue, Cost, Profit and Acquisition Cost

The following formulas explain how the data is calculated, and the acquisition of data is specified.

Simple CLV is calculated to find the two main customer segmentations. The formula is:

$$\text{Simple CLV} = (\text{Profit} * \text{Lifetime}) - \text{Acquisition cost}$$

Revenue: total investment fee paid to Raiz

Cost: the total reward customers receive from Raiz

Profit = Revenue - Cost

Lifetime = 1 / Churn rate

Acquisition cost: cost of customer acquisition per person 2017 \$9.55 (Cole, 2018)

Acquisition cost could not be found in the datasets provided; thus, the information at the website is used with the assumption that the acquisition cost is equally distributed.

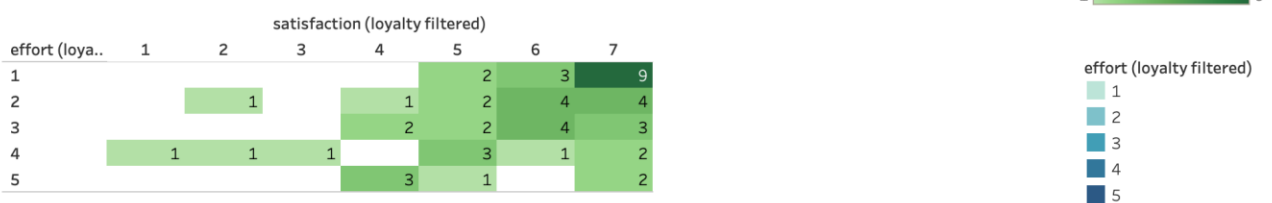
C-7 Customer Loyalty

Customer loyalty is analyzed by 3 sections: requests, satisfaction effort; satisfaction and NPS; churn probability, average duration of join to churn day.

C-7.1 Requests, Satisfaction and Effort

In the dataset, only 52 customers provided information about requests, satisfaction. It could be indicated that customers are not very interactive with Raiz. However, the majority that has contacted Raiz are quite satisfied with the Raiz investment. People who put the effort in requesting have an overall moderate to high satisfaction rate, which shows that Raiz is good at handling requests. Age 25-49 are more interactive with Raiz and showed a high satisfaction score. To make customers more loyal, Raiz should improve their interaction with customers.

Effort v.s. Satisfaction Customer Count



Age Group Effort v.s. Satisfaction

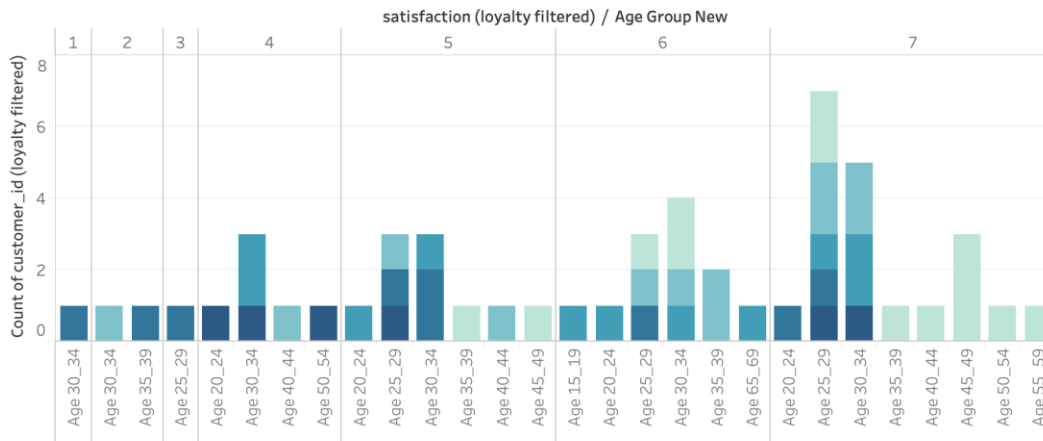


Figure 21. Customer Effort V.S. Satisfaction

C-7.2 Satisfaction and NPS

The satisfaction score and NPS have a positive relation. There are over 100 customers that gave the highest satisfaction and NPS score in the chart, meaning that the users are recommending the service when they experience higher satisfaction.

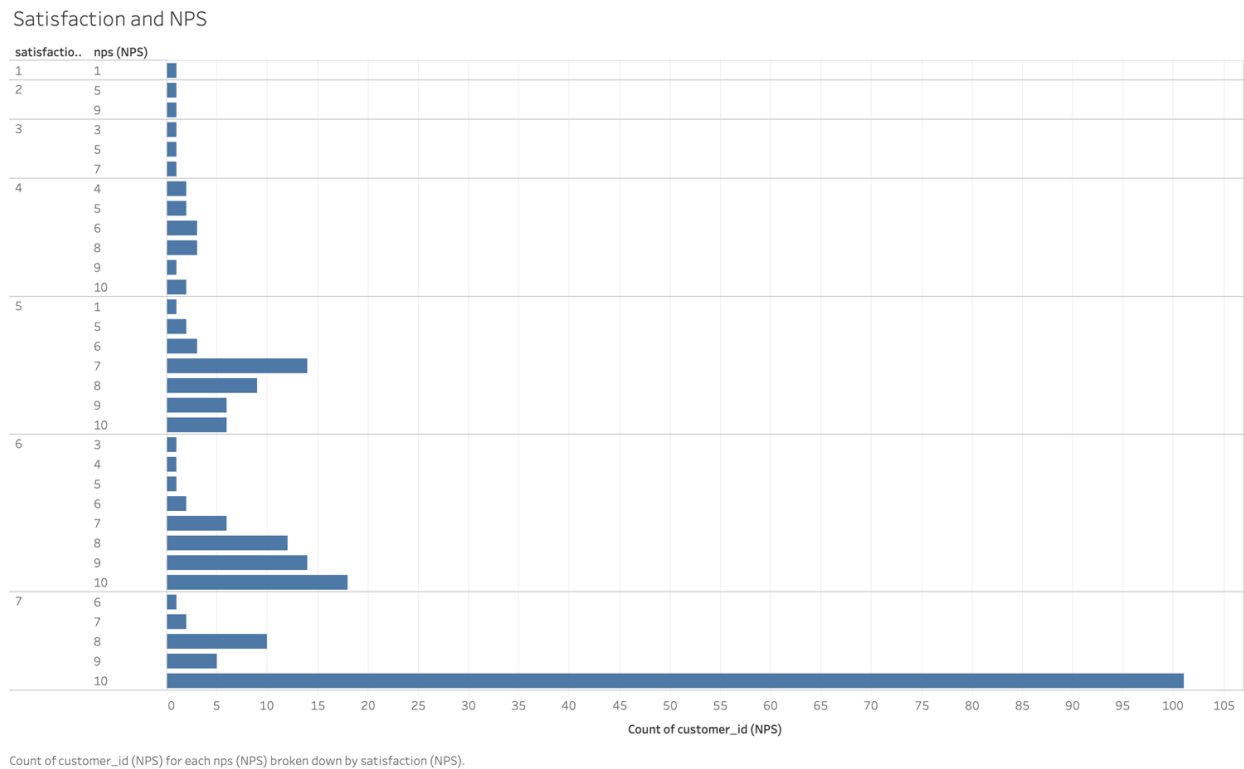


Figure 22. Satisfaction & NPS

C-7.3 Churn Probability, the Average Duration of Join to Churn Day

The churn probability showed low with an average of 0.1-0.3 (Figure 23). The quickest churn day of Raiz is about 9 months, while the most loyal stay with Raiz roughly for 1.67 years.

C-7.4 Channels

Most customers join Raiz through an organic channel, followed by social media, referral, online-ads. The organic channel may seem more reliable since it is not like paid ads where investing money on search engines boosts visibility (Lambert, 2016). It is promoted by social media, user recommendations, influencers or simply gets people talking about the company.

Conservative Full-timers:

The overall high CLV and the number of customers are mostly acquired through organic or social media. However, there is a segment type worth targeting: 100001, age 35-39, referral. They have the highest CLV, 1,067. Referral channel could be complemented by organic and social media channels. The fact that Conservative Full-timers customers are acquired by these three channels indicates full-

time workers trust colleagues or friends a lot more than online-ads or google search. In sum, to target Conservative Full-timers, there should be more focus on recommendations, user comments.



Figure 23. Churn Probability (Average Duration of Join to Churn Day in Day)

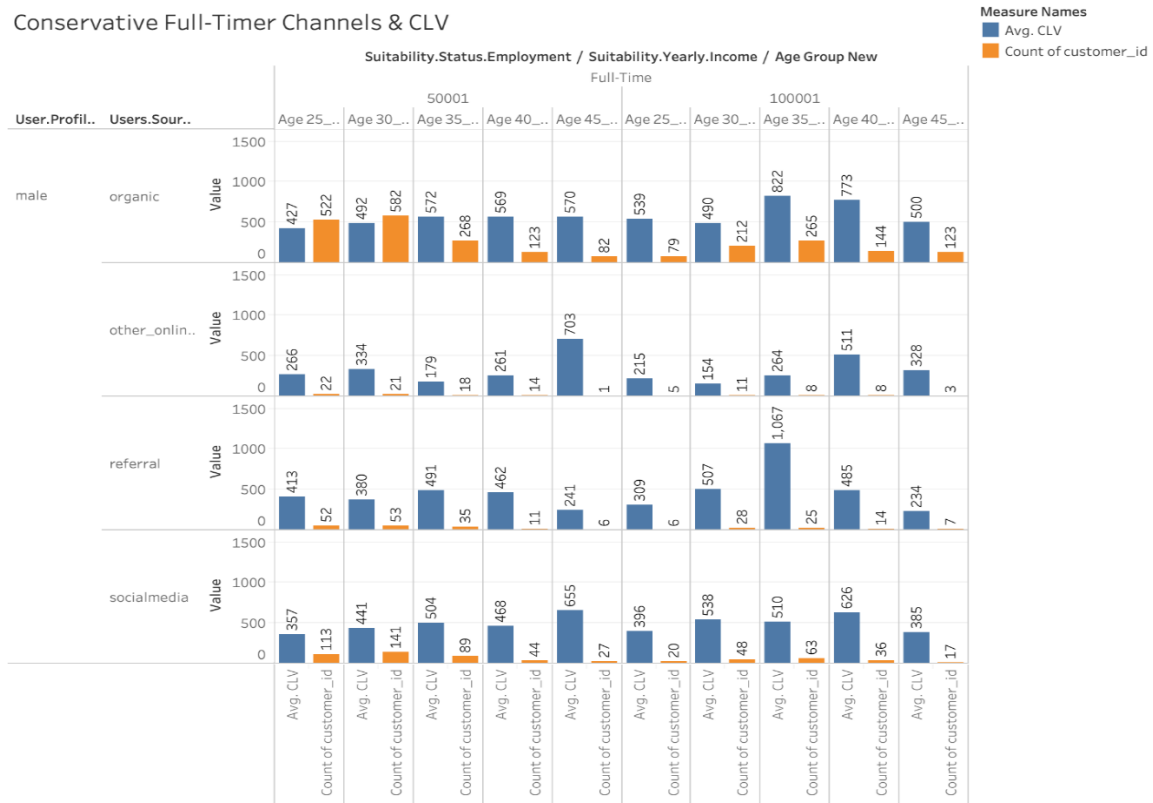


Figure 24. Conservative Full-timers Channels & CLV

Aggressive Freelancers:

60% of customers are aggressive in investment and the main channel comes from organic, social media and referral. The 2120 CLV score is obviously an outlier as there is only one person. The 40% moderate aggressive is made up of portfolio 4 and 6. The majority of customers come from the organic channel; so, they trust more on user experiences rather than the company paid activities.

Aggressive Freelancer Channels & CLV

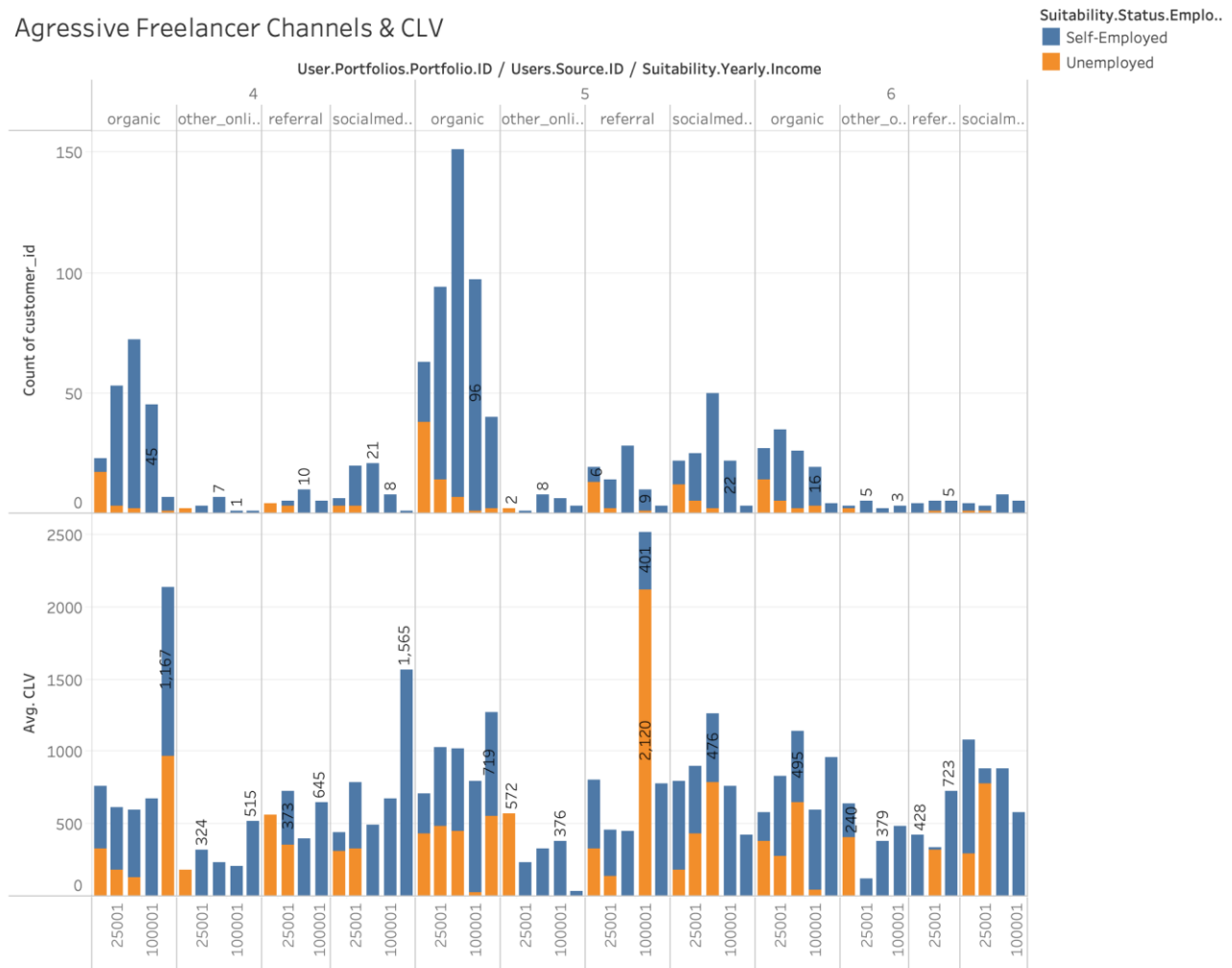


Figure 25. Aggressive Freelancer Channels & CLV

C-8 How to Reach & Touchpoint

By looking into higher CLV portfolio types and channels, touchpoints to acquire or retain existing customers could be suggested.

Conservative Full-timers:

They are reached through organic or social media channels, and by increasing the already good number of acquisitions from online-ads, Conservative Full-timers customers could be increased. Referral strategy should be strengthened because it will boost customer acquisition from organic, social media, referral channels. Full-timers are mostly exposed to colleagues, business partners whom they could recommend Raiz to. According to Moulang, Feng, and Gerrans (2018), when making complex decisions such as doing investment, it is easier to compare with colleagues which alleviates some uncertainties. Humans are more risk averse in which losing money is the last thing they want. Thus, when investment comes across one's mind, the probability of taking actions will increase. Moreover, automatic investment, superannuation could be attractive to them to save them time during weekdays. The aggressive and moderate aggressive portfolios are the majority, so Raiz could promote higher risk and higher return plans to attract them.

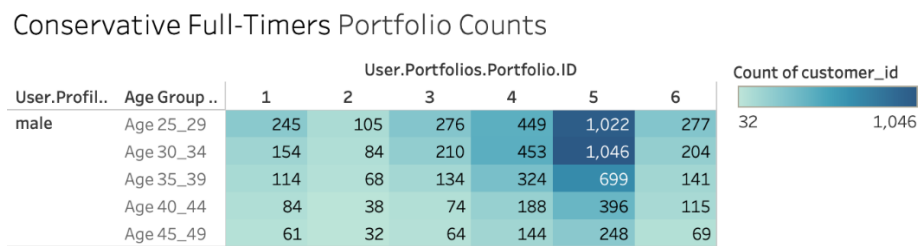


Figure 26. Conservative Full-timers Portfolio Counts

Aggressive Freelancers:

The unemployed and self-employed tend to be more risk tolerance, expecting to gain a higher return. To reach self-employed customers, the best way is through the organic channel. Since the internet usage is high, to do search engine optimisation and increase the click and open rate of the website could be helpful. They largely prefer aggressive, long-term investment. For self-employed customers, one more way to reach them is through social media. Raiz could cooperate with influencers because 63% of consumers believe in influencers opinion more than the words that come from the company itself (Dave, 2020).

ID Counts>10 in Income, Channels

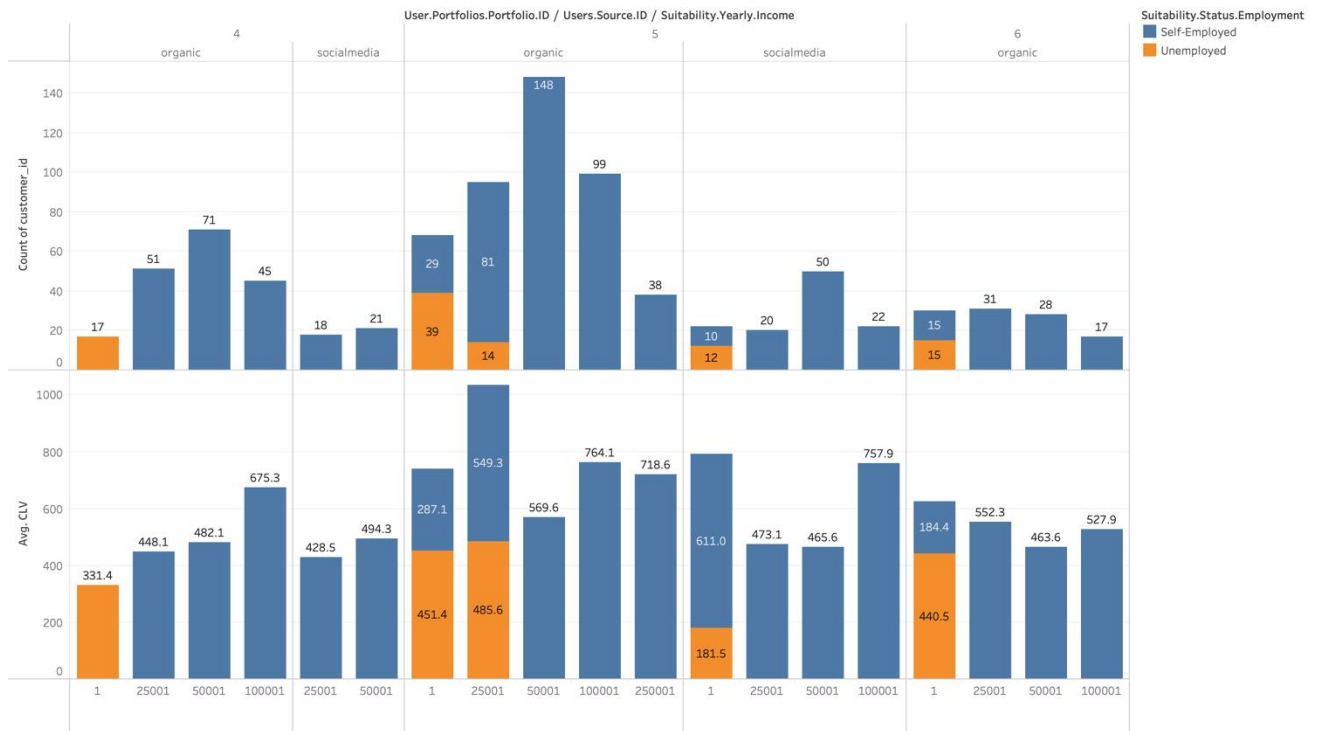


Figure 27. ID Counts>10 in Income, Channels

D. ACURA Strategy

As Raiz is still in its early stage of growth, to be profitable, a large volume of new customers is required (Independent investment research, 2018). Most of the customers in Conservative Full-timers are males with working, which means that they have a stable income. Using Raiz is a financial way for them to obtain additional income, thus they would pay more attention to income with high probabilities to be sustained (long-term) and their own value extension (Raiz, n.d.a). Aggressive Freelancers is basically people who are self-employed and unemployed. These persons tend to have more casual time than other types of people from the perspective of the status of employment and be more profitable than the retired in general.

D-1 Cross-selling Strategies for Conservative Full-timers and KPI

D-1.1 Cross-selling Strategies

Financial service companies pay attention to the relationship with customers, and cross-selling strategy is a very appropriate way to extend the relationship between products and customers, which is also an attempt to increase the market share (Senior, Springer, & Sherer, 2016). In fact, Raiz is trying to do this method as well, for example, Raiz has a collaboration with Microsoft on 11 September 2020 which is actually a kind of cross-selling. For Conservative Full-timers, to some extent, they need the added value of the product to reduce the time expenditure in a busy life. Therefore, cross-selling will be designed for Conservative Full-timers.

1) Linked to Other Businesses

Customers prefer products with additional product services, which enables them to reduce the time and service cost of switching suppliers. According to the data statistics of Deloitte (n.d.), 49% have three or more products with other financial institutions, the share of customers is higher than that of banks, which means that diversified product service is the main development strategy of financial service institutions to distinguish from banks.

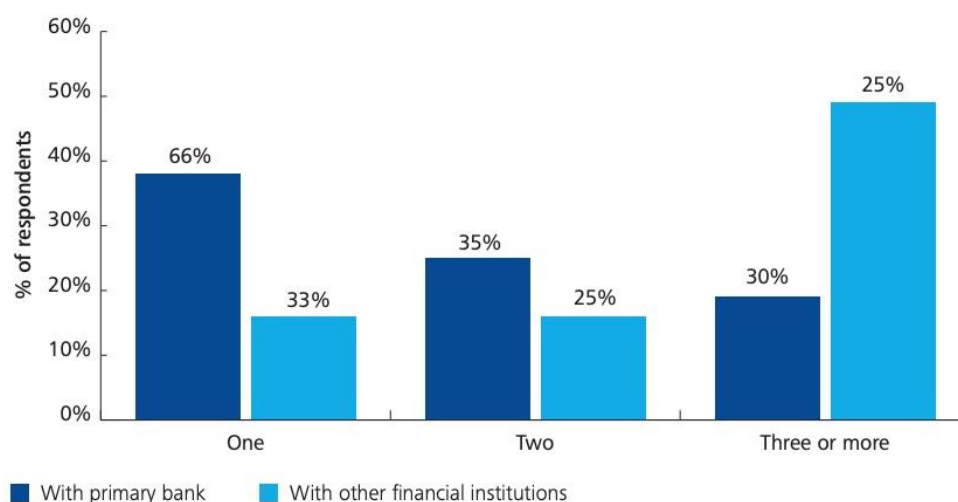
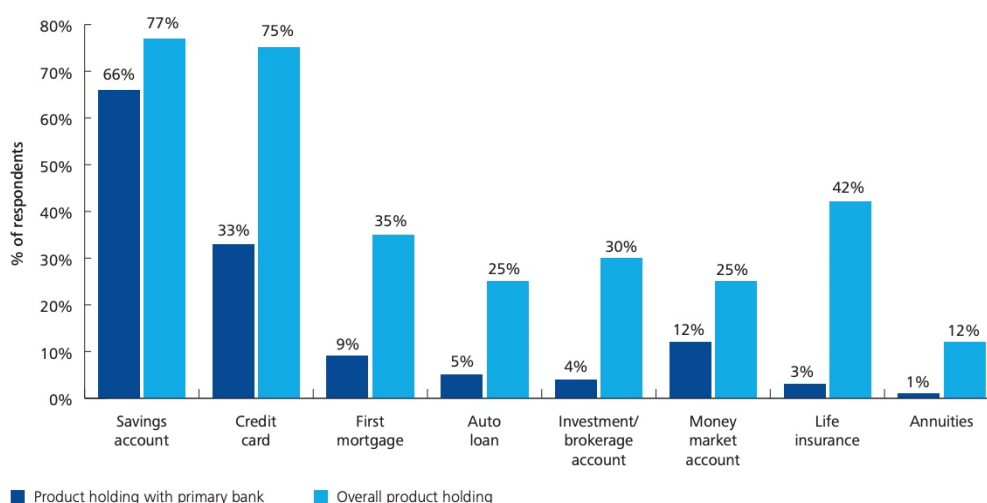


Figure 28. Financial Product Ownership

It is profitable for Raiz to actively look for products that could be cross-selling. From the figure below, it could be summed up that half of the banks are involved in the sale of insurance (Deloitte, n.d.). Although the statistics are for banks, it is comprehensible that the strategy of additional sales insurance is in line with the actual situation. For Conservative Full-timers, as a male with a job, he may need to buy cars, electronic products and other products to increase the quality of personal life. At the same time, for businessmen, cooperation with airlines is also a suitable choice. Raiz could collect data of customer shopping habits through the retailers they cooperate within Raiz Reward. This way, Raiz could provide advice, tailored products for customers with extra discount policies to promote the use of Raiz.



Source: Deloitte Center for Financial Services

Figure 29. Primary Banks' Share of Product Holdings

D-1.2 Key Performance Indicators for Cross-selling Strategies

- 1) Increase the average CLV of Conservative Full-timers

D-2 Advocacy Strategies for Conservative Full-timers and KPI

D-2.1 Advocacy strategies

In terms of an advocacy strategy, the main purpose is to establish a cognitive awareness or increase social corporate responsibility rather than direct profit. This part of the strategy will be divided into long-term and short-term directions to explore and consider the implementation of the strategy in the channel, customer relationship building, storytelling and entertainment (Joy, n.d.). With reference to the user characteristics of Conservative Full-timers, according to Maslow's hierarchy of needs theory (Maslow, 1954), people who have already met their basic needs will consider higher-level self-satisfaction needs, which could be achieved through advocacy strategies.

1) Short-term

Persuasive spokesperson or financial lecture sharing could provide consumers with awareness in the short term. Different from the acquisition strategy which aims at acquiring new customers, it advocates the policy focus and sharing of stories and targeted proposals, which would help Conservative Full-timers provide effective and practical views for customers with certain investment targeting.

2) Long-term

According to Raiz (n.d.c) in the corporate social responsibility section, they have a current strategic layout in education and environmental protection. However, the implementation is more in the form of corporate donations. In other words, the existing strategy pays more attention to the corporate social image of Raiz itself and has less contact with customers. Therefore, the new advocacy strategy in long-term would pay more attention to the establishment of the relationship between enterprises and customers from the perspective of joint fulfilment of social responsibility by enterprises and customers, so that both sides could carry out their social responsibility obligations.

Combined with the facts of Australia, according to DoSomething (n.d.), a non-profit organization, the fire in 2019 has so far resulted in the burning of more than 15.6 million acres of land and may lead to global warming in the future. Raiz should focus its social responsibility on environmental protection, and let customers participate in tree planting projects visually by setting functions on the Raiz page.

Through the purchase of goods or continuous landing in Raiz (enhance DAU) and other ways, to obtain water drops for watering trees, and through Raiz could indirectly transform the customer's payment into reality. This measure not only enables Raiz to fulfil its corporate social responsibility but also enables customers to participate in it, thus forming a closer cooperative relationship between customers and Raiz. It is also a way to increase consumer loyalty to some extent. The schematic diagram of the strategy is as follows:

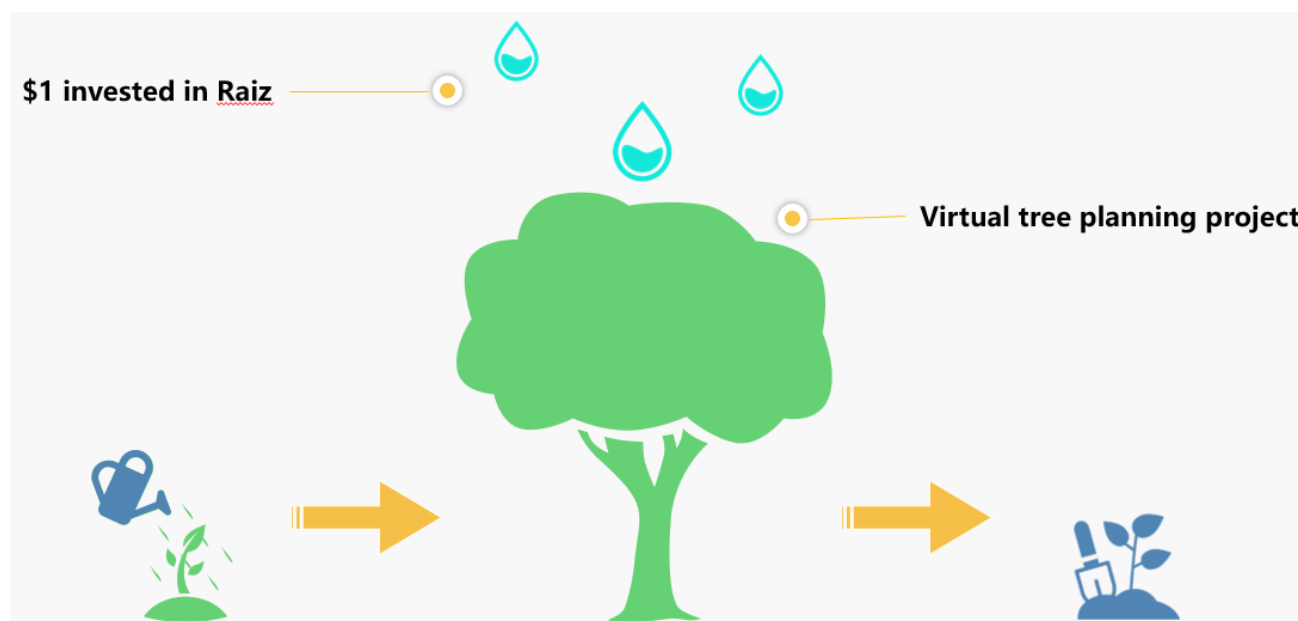


Figure 30. Schematic Diagram of Tree Planning

D-2.2 Key Performance Indicators for Advocacy Strategies

- 1) Net Promoter Score (NPS): The improvement of customer satisfaction and engagement could be measured from NPS indirectly which describes the attitude of customers for recommending companies to others.
- 2) Increase in DAU: The longer customers remain in Raiz pages, the higher the DAU of customers

D-3 Acquisition Strategies for Aggressive Freelancers and KPI

D-3.1 Acquisition Strategies

Acquisition strategies are established to entice new customers in Aggressive Freelancers to sign up.

Social Media Platform

Under the influence of Covid-19, it could be inferred that people spend more time online for their work, study, and networking. 71% of the population in Australia are active users of the social media platform in 2020 (Hughes, 2020) and the upward trend for active social media users is expected. However, the usage rate of social media of Raiz on the side of the acquisition channel is quite low. Only 18% of self-employed people and 14.8% of unemployed people became users of Raiz via social media platforms.

1) Improve Visibility on Facebook and Instagram

Consumers are using digital media to search for products and services, engage and attract companies, and even communicate with other consumers who may have valuable perceptions more and more frequently (Garretson, 2008). Facebook is considered as the top-one favored social media platforms in Australia in 2019, followed by Instagram (Hughes, 2020). However, Raiz hasn't well used these platforms so much. Only 16.71% of customers in Aggressive Freelancers are acquired through the social media channel.

Raiz Invest has 44 thousand followers on Facebook and 8 thousand on Instagram. From both pages of Raiz in Facebook and Instagram, the communication between Raiz and followers are almost zero with no comments and few 'like'. Because of this, there is few exposure or visibility for Raiz on social media platforms which makes it hard to attract new customers. In contrast, its competitor Spaceship, even though the followers of it is half of that of Raiz, it has a larger number of 'like' and comments which could show its good relationship with customers and the effect of word of mouth. Therefore, it is vital for Raiz to manage its Facebook and Instagram accounts effectively.

Adding hashtags in the posts and mentioning (@) other brands or partners and even send a message to others' home pages on Facebook could be a good way. As mentioned before, the collaboration with Microsoft is really good cooperation. However, the visibility of this event is quite low as only 8 thousand people follow Raiz on Instagram while 2.8 million people follow Microsoft who even didn't mention about the event during that period. Microsoft has greater influence and popularity than Raiz, it is a pity that Raiz hasn't used this opportunity to improve its influence and visibility.

Sharing the story and the culture of Raiz, the experience of employees, and the events frequently on Facebook and Instagram could assist in building the brand image of Raiz. Keeping up with the hot topics could improve the existence of Raiz in potential customers. There is no such specific cost by applying these as all Raiz need to do is to expose itself, post more frequently in higher qualities, and become active on social media like a real person.

2) Post Advertisements on LinkedIn

LinkedIn is prevalent in Australia as a third of Australians used LinkedIn in 2016 (Smart Company, 2016). During the Covid-19 period, a lot of people post on LinkedIn about their experience about searching for jobs. Employers also use LinkedIn as a channel to get familiar with potential employees and even interact with them. Therefore, LinkedIn is a really suitable social platform for Raiz to post advertisements as self-employed persons and especially unemployed people are likely to be active on LinkedIn. The campaign bidding strategies of LinkedIn could help Raiz deliver advertisements to targeted audiences based on the relevance score under the full budget (LinkedIn, 2020a). For this stage, brand awareness could be the campaign objective of Raiz. Raiz could use target cost bidding strategies to manage the cost which will adjust the bid to obtain the best results within the target cost automatically (LinkedIn, 2020b).

D-3.2 Key Performance Indicators for Acquisition Strategies

- 1) The increasing number and rate of new users
- 2) The increasing rate of followers and interaction on Facebook and Instagram

D-4 Retention Strategies for Aggressive Freelancers and KPI

D-4.1 Retention Strategies

Except acquiring new customers, retaining the existing customers as long as possible could grow Raiz's profit as well. Customer retention is related to customer loyalty and customer satisfaction, while customer engagement could positively influence customer loyalty and customer satisfaction (Thakur, 2016). Based on FRM analysis, most people in Aggressive Freelancers don't spend much and don't invest often (Figure 31). The recency of customers describes two situations that almost half of the customers don't invest for a long time while half of the customers invest recently. The following strategies mainly aim to improve the frequency and monetary of customers in Aggressive Freelancers.

1) Run across Social Media Platforms and Give Rewards

Launching several events through Facebook, Instagram, and LinkedIn could be helpful in improving customer engagement. 'Getting discounts or coupons' is the top one activity when customers interact with businesses (Heller Baird & Parasnis, 2011). Giving some opportunities to reward people who like

and comment on posts, for example, the authority of free of fees or promo code, could be an interaction with existing customers or even potential customers.

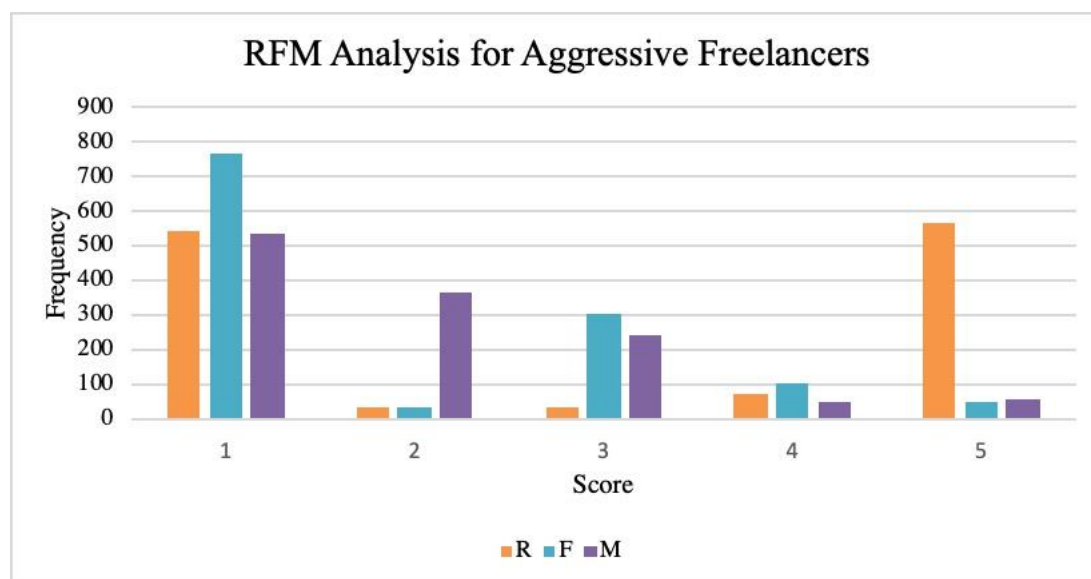


Figure 31. RFM Analysis for Aggressive Freelancers

This could be a useful way to improve the frequency of users as the reward could only be used when they open the app. Collecting customers advice through social media platforms to engage more people to discuss Raiz and improve service based on feedback. These won't cost too much as it's just posted online. The only cost could be the reward of the authority. As the number, time period, range and the frequency of the reward could be set by Raiz itself, this could be affordable and won't be a major expenditure.

2) Provide Personalisation Service

Personalisation service could be provided by sending emails or notifications on a particular date like the anniversary date that customers sign up to Raiz or the birthday of customers. Raiz could also conclude the annual investment report for each user. These could improve customer engagement and satisfaction. Sending emails or notifications won't cost much. Personalisation service is not difficult to accomplish especially with the help of some platforms. HTML5 campaigns are prevalent in China which contain animations and artwork and could involve interactions with users (Steve, 2019). Raiz could use this to attract and retend Chinese customers first and keep improving it to adapt to other customers.

3) Improve Customer Experience Management

A lot of people could download and sign up to Raiz but not become active users and even uninstall

Raiz. For people who signed up to Raiz, only 32.8% of who are active users (Bowen, 2018). The awful experience of using Raiz could be a reason that can't be ignored. Based on the writers' experience, barriers of entry exist when people link to funding accounts and spending accounts. Based on Raiz's prompt, the username ('Client Number') and password of the bank are used to sign in. For people use iPhone and touch ID or face ID, it is really difficult for them to remember the password and the client number which is not the card number nor the BSB and account number that people frequently use. It takes a really long time for writers to go through this step which encourages people to quit. What's more, there is no chat box or any other tools from Raiz that could ask for help. The only choice for people who can't type in the correct username and password is quit and leave Raiz. This provides an awful experience for customers. Therefore, it is strongly suggested that Raiz add in helpful tools in this step or give a clue that the username is your online bank login credentials that use to access online banking website, not the apps (Raiz, n.d.b), as not all people will be patient to search online for how to solve this problem.

Adding help tools in the step of linking accounts could cost money and need time to implement but changing the prompt should be zero-cost and could improve customer experience immediately and therefore improve customer retention.

D-4.2 Key Performance Indicators for Retention Strategies

- 1) Net Promoter Score: The improvement of customer satisfaction and engagement could be measured from NPS indirectly which describes the attitude of customers for recommending companies to others.
- 2) RFM analysis: The increased score in recency, frequency, and monetary which is an indicator of customer loyalty based on behaviors.
- 3) Increase in CLV: The longer customers remain in Raiz, the higher the CLV of customers.

E. Recommendations and the Action Plan

Four strategies recommended to Raiz for the two segments consider both short-term and long-term implementation. The difficulty and the cost of conduction are well discussed.

Cross-selling and advocacy strategies are recommended for Conservative Full-timers as it is considered to be the most profitable segment therefore Raiz should try to earn more from this segment and establish a long-term relationship with these customers. The cooperation with other businesses who are noncompeting partners could help Raiz meet customers' needs and satisfaction at low or even no cost. Building corporate social responsibility with customers' efforts could cultivate customer loyalty in the long term.

Acquisition and retention strategies are suggested for Aggressive Freelancers as these people tend to have more time online and stronger need to save money because of unstable income or even no income. Raiz needs to make an effort on managing its social media accounts as social media have strong power on customer relationship management and it is cost-effective. Building a brand image via social media could help not only acquire new customers but also promote relationships with customers and improve customer engagement.

E-1 The Action Plan

After measuring the implementation difficulty and better implementation effect, the implementation plan of ACURA strategy in one year is shown in the table below. However, this does not mean that the implementation plan is only one year. For projects with a long preparation period and high investment cost, a longer preparation period is provided for implementation a half of the year, so that Raiz could have sufficient time for research and testing.

		PHASE 1	PHASE 2	PHASE 3	PHASE 4
		0-3months	4-6months	7-9months	10-12months
Segment 1: Conservative Full-timers	Advocacy Short-term	. Activity funding / programme preparation . Establish cooperation platform . Determine the list of speakers	.Carry out related activities .Activity review and reflection		
	Advocacy Long-term	.Project budget and staff allocation .Demand analysis and finishing page design .Internal testing and evaluation		.Page serving use .Report results regularly (for customer and Raiz, respectively) .Continuous improvement pages	
	Cross-selling Linked to other businesses	.Collect data through Raiz Reward . Analyze customer needs	Determine the partner company .Determine product preferential policies .Determine the activity period	.Put into cross-selling products .Collect sales data regularly	
Segment 2: Aggressive Freelancers	Acquisition Social media platform	.Improve visibility on Facebook and Instagram .Determine the cooperation time and advertising design with LinkedIn	.Post advertisements on LinkedIn . Review improvement/delivery effect		
	Retention Run across social media platforms and give rewards	.Design coupons to be placed on Raiz's social media homepage	.Review the new pull effect and determine whether to re-launch coupons		
	Retention Provide personalization service	.Design advertising strategies for people of different ages/countries .Understand what customers want to know about Raiz		.Send personalized reports regularly via email, HTML5, etc.	
	Retention Improve customer experience management	.Improve new users' use process guidance .Optimize interaction logic			

Figure 32. The Action Plan

In the first quarter, Raiz would be more focused on project establishment and preparation and start to improve some existing problems. For example, optimizing the homepage of social media, while carrying out the demand collection and activity design in the cross-selling strategy.

In 4-6 months, some strategies that are easier to implement would be put on the agenda. A short-term advocacy strategy could be promoted. Social media advertisements also could be used after preliminary design preparation in this period.

After the first half year of the social media efforts, and the accumulation of user demand analysis, in 7-12 months, Raiz would further optimize the personalized services of the products and establish closer customer relationships. Therefore, long-term strategies and cross-selling strategies would be a suitable time to be implemented.

E-2 KPIs for CRM Activities

Quantitative measurements for each recommended strategy are concluded as Table 2. Raiz should set and adjust goals based on its operation situation.

Table 2. KPIs and Goals for CRM Activities

Strategies for Aggressive Freelancers	Measurement (KPIs)	Examples of goals for the first year of implement
Improve visibility on Facebook and Instagram	The number and increase rate of comments, 'like', and sharing	At least 10 people respond to the post
	The increase rate of followers and interaction on Facebook and Instagram	The number of followers on Facebook increases to 100 thousand. The number of followers on Instagram increases to 50 thousand
Post advertisements on LinkedIn	The number of customers from LinkedIn	The number of customers from LinkedIn takes up 10% of the social media source channel
Run across social media platforms and give rewards	The frequency of posts on social media platforms	Post at least once a day
	Net Promoter Score (NPS)	NPS for Aggressive Freelancers increases at least 10%
	RFM analysis	Frequency and Monetary increases 10% on average
	Customer Lifetime Value (CLV)	CLV for Aggressive Freelancers increases 10% on average
	The number of people participate in events launched on social media platforms	At least 100 people actively participate in
Provide personalisation service	The scores of the service	At least 3 out of 5
	NPS	NPS increases at least 10%
	CLV	CLV increases 10% on average
Improve customer experience management	The time between people sign up and link accounts	The time period should be within 5 minutes

Strategies for Conservative Full-timers	Measurement (KPIs)	Examples of goals for the first year of implement
Linked to other businesses	CLV	CLV for Conservative Full-timers increases 10% on average
Social responsibility on environmental protection with customers	Net Promoter Score (NPS)	NPS for Aggressive Freelancers increases at least 10%
	The number of unique users purchase goods or the time users continuous land in Raiz in a one-day window (DAU)	DAU increases 10%

F. Conclusion

The report segments customers into different groups for Riza based on their characteristics and describes how the objectives of CRM could be better achieved by applying ACURA strategies. For Conservative Full-timers, it is advised that Raiz should apply cross-selling strategies by linking its financial products with other businesses and providing products that customers need most, which could increase the average CLV of this customer group. In addition, customers could be encouraged to participate in programs related to corporate social responsibility with the company so that a long-term relationship between two parties could further be established, which is also how the advocacy strategy could increase customer loyalty. For Aggressive Freelancers, Raiz could consider increasing advertising expenditures on popular social media sites, such as LinkedIn, Facebook, and Instagram, to further increase brand awareness and engagement, leading to a higher probability of acquiring new customers. Besides, considering retention strategies, Raiz could improve customer experience by providing more user-friendly or personalization services, which in turn increases the CLV of its customer group.

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