

A PAYSPACE FOR GEN Z

A CONSULTANCY PROJECT FOR PAYSEND

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SUMMARY

Paysend is a FinTech company that makes it possible to transfer money abroad quickly and hassle-free. They want to increase brand awareness among Gen Z.

Within this strategy, the focus is placed on international college students, for which a strategy has been devised that responds to the characteristics of those emerging adults based. The design thinking process was used for this, which is based on 5 phases:

- Empathize: Who is the target audience and what are their needs?
- Define: Based on data, what is the problem statement?
- Ideate: What are possible solutions for the problem statement?
- Prototype: Turn the ideas into exact examples
- Test: How does the target audience react to the prototype

The main part of the strategy is the concept of a PayPet in PaySpace, which functions as their financial assistant. The main purpose of this function is to get people more involved with Paysend and to reduce social awkwardness in relation to peers. The innovative functionalities are money-splitting and personalized notifications.

The results of the test phase indicates that improvements to the Paysend-app, such as gamification, building a virtual community and personalized notifications could increase the engagement of Gen Z with Paysend. In short, our recommendations for Paysend are to increase the amount of creativity the user could have with the gamification-elements and to make it simple for users to establish social connections.

INTRODUCTION

Most students nowadays don't have an easy life since they often suffer from stress and performance pressure. Many of these problems are caused by financial problems that students encounter. A survey among international students in the Netherlands shows that 35% are experiencing financial problems [1]. Many financial organizations try to respond to this problem by addressing this target group, often described as emerging adults, by offering services that can support their financial situation. However, it might be challenging for companies to always determine the best strategy to address this target group due to the great competition in this market.

One of the companies that is still seeking solutions to attract Gen Zs is Paysend. Paysend's services make it possible to send money quickly, easily, and safely to bank accounts and credit cards in more than 170 countries. Before reaching out to us, they tried to attract more millennials by, for example, posting short, challenging videos on their social media platforms. However, this turned out not to be a very efficient strategy. For this reason, they came up to us with the following question:

There are some important questions we had to ask ourselves before we could start thinking of a plan to help Paysend attract a young audience. First, we had to specify our target audience more due to the wide age range of Gen Zs. We decided to focus on people between the ages of 18 and 24. There are some different reasons why we decided to choose this target group:

- Younger Gen Z's often do not yet have their own financial assets or do not have access to them, making the services that Paysend offers irrelevant.
- Most people between 18 and 24 are students and face financial obstacles in their lives daily. Paysend can potentially respond to this.
- Students who study abroad are most likely to find themselves in situations where money has to be sent to or from abroad.


HOW CAN PAYSEND MARKET ITS SERVICE TO GEN Z USERS TO INCREASE THEIR BRAND AWARENESS?

After formulating the target group, we ended up in the define phase. We gained insight into the character traits of emerging adults by conducting interviews with international students. What motivates emerging adults to use money transfer applications? This persona was the central question in these interviews. Based on those findings, we developed a key persona.

Reflecting on these interviews, we found that intimacy was one of the most important characteristics of emerging adults. This corresponds to the findings in the scientific literature [2]. The international students told us that it was important for them to meet new people in their new environment. To stimulate this, they say that they often do activities together. This often puts them in awkward situations when it comes to deciding who pays.

They are afraid of damaging the friendship they are building. Another common characteristic, based on our interviews, was that many emerging adults perceived money transfer applications, such as Paysend, as unsafe. Since Paysend is already a secure service, we decided not to include this factor in our next steps, where we defined the problem and came up with a strategy.

George Stones



"You're young, so discover the world"

Age: **22**
Nationality: **British**
Study: **Communication science**
Location: **UvA, Amsterdam**

Personality

Introvert	Extrovert
Thinking	Feeling
Sensing	Intuition
Judging	Perceiving

Enthusiastic

Rager to learn

Enterprising

Key Characteristics

- **Likes to use his mobile phone.** He uses his phone to keep in touch with family and friends who are in England, but also to make new contacts in Amsterdam.
- **Intimacy.** George needs social contacts around him. Because he lives in a new country, this is sometimes difficult. He therefore likes to avoid social confrontations.
- **Critical.** George contrasts his considerations and takes a critical look at subjects that concern him. Aspects such as safety and security are very important to him.

Bio




I'm George and I moved recently to Amsterdam to start with my study Communication Science at the UvA. I live on my own for the first time. I like to meet new people and enjoy doing activities with them, such as going out for dinner or discovering a new city. Here in Amsterdam I don't know many people yet, but I hope to make new contacts soon.

My other hobbies are sports and painting. All these hobbies cost a lot of money, so I always worked next to my studies to be able to finance all this. However, because everything has become more expensive lately, I notice that I don't always have money left over to do everything I would like to do with friend

Motivation

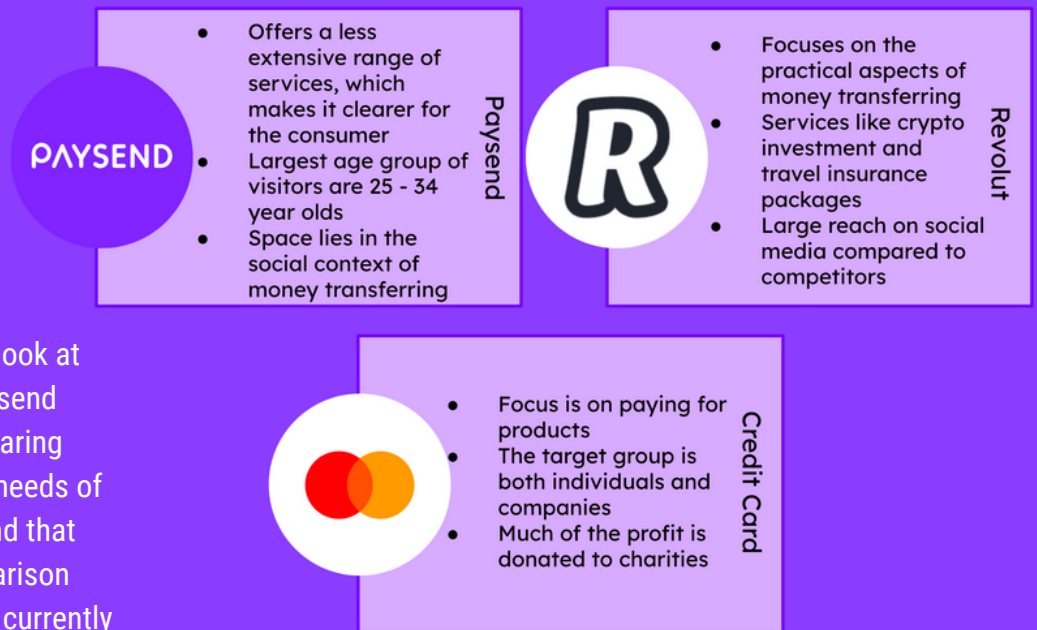
Incentive	
Fear	
Growth	
Power	
Social	

Brands & Influencers

Preferred Channels

Traditional Ads	
Online & Social Media	
TV	
Papers & Posters	



Finally, it is also relevant to look at what the competition at Paysend offers for services. By comparing these services, a gap in the needs of emerging adults can be found that Paysend can fill. This comparison shows that little attention is currently being paid to the social aspects of finance.

When devising, developing, and testing our plan, we encountered some problems, which resulted in the following limitations:

1. Our resources for the process were limited. We lack university students with different cultural backgrounds because most interviewees had a non-western background. Because in some cultures it is more natural to talk about financial situations than in others, this factor may influence our findings during the define and test phase.
2. Most interviewees had never heard of Paysend before the interview and generally used only banking apps. For this reason, most of the experiences they shared with us were based on banking apps. It is therefore not entirely certain whether these experiences also apply to money transfer services.

After we collected our data, we went further in our design thinking process, with the next step being the define phase, in which we defined our problem statement. We stated that students who study abroad need a convenient approach to dealing with financial splits because they feel awkward negotiating such issues with peers and have many daily trifles to deal with. This was followed by the ideation phase, where we came up with several solutions, which will be declared in the next paragraph. In the end, we turned our ideas into a prototype and went back to our interviewees to test their opinion on this prototype.

FINDINGS

EMPATHIZE

The data in this project was collected using interviews. Looking back at the data collected in the “Empathize” phase, for our interviewees, the main factors that influenced whether or not they use a mobile payment app involved the functionality and practicality, safety and credibility of the app, and the social context they are in. The main findings of the interviews with the international students were:

- The interviewees usually use their bank apps for money transfers and credit cards for overseas payments. Therefore, they lack the necessary motivations to use Paysend, and the platform's existing functionalities fall short of engaging them effectively.
- The interviewees have concerns about the safety and credibility of Paysend. Advantages, such as fast processing time and low transfer fees, don't motivate them enough to choose Paysend over bank apps and credit cards.
- Social context could play an essential role in persuading students to download Paysend. Even when they didn't know Paysend, they would give it a try when a friend recommended it to them.
- Many interviewees have experienced both awkwardness when it comes to negotiating money matters with friends and forgetting about these trivial transactions (both as payer and receiver)

From a marketing perspective, making customers realize a problem could promote a product [3]. However, possibly this product is not what customers necessarily need. Therefore, in the initial stages of designing the prototype, a comprehensive assessment was made, combining the objectives of Paysend's communication goals with the needs of the target group. According to the client, this project should find ways to engage Gen Z and increase Paysend's brand awareness among this group. In this sense, creating a prototype with features that could attract the target group is significant. Nevertheless, for our target users, Gen Z, who care about functionalities, safety, and social connections, we designed a prototype of the Paysend app with new features to increase users' engagement and retention with Paysend.

**"I PREFER MY
BANKING APP OVER
AN APP LIKE
PAYSEND"**

**IT'S MORE EASY AND I'M NOT SURE
PAYSEND IS SAFE FOR BIG
TRANSACTIONS**

THE PROTOTYPE

The core feature of the prototype is a gamification design called PayPet, which offers users the opportunity to have a virtual pet, either a cat or a dog (Image 3). Paypet incorporates specific gamification elements such as customization and four gamified artifactual affordances including rewards, competition, cooperation, and feedback to enhance user engagement [4]. Users can customize their PayPets' homes with furniture and decorations in their unique styles (Image 5). When a user completes a certain amount of transactions, he or she (and the friend) are rewarded with items for their PayPets (Rewards, Image 4). Other functions are leaderboards with the PayPet's mood ranking and visiting other pets and playing with them, where the user can provide feedback to promote social interaction.

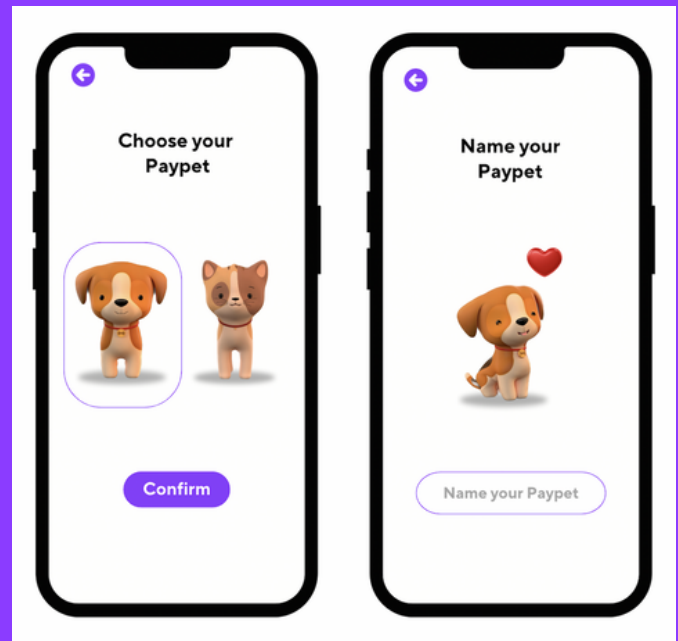


Image 3: "Choose Your PayPet"

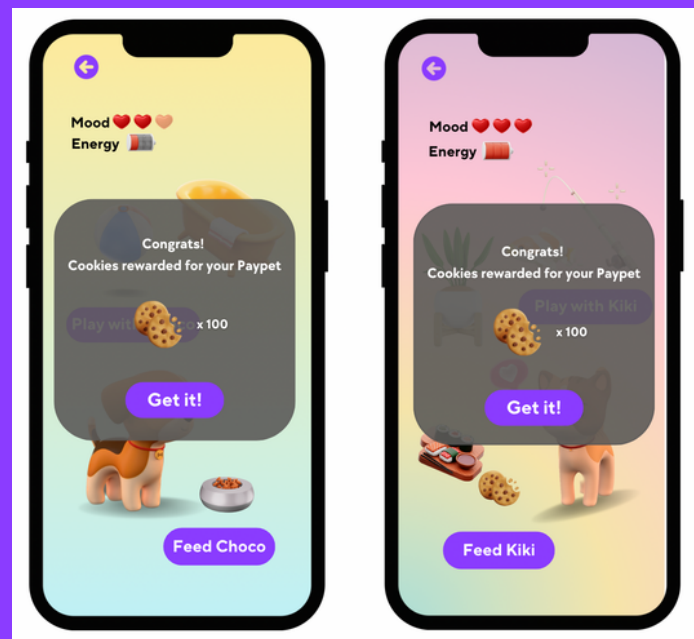
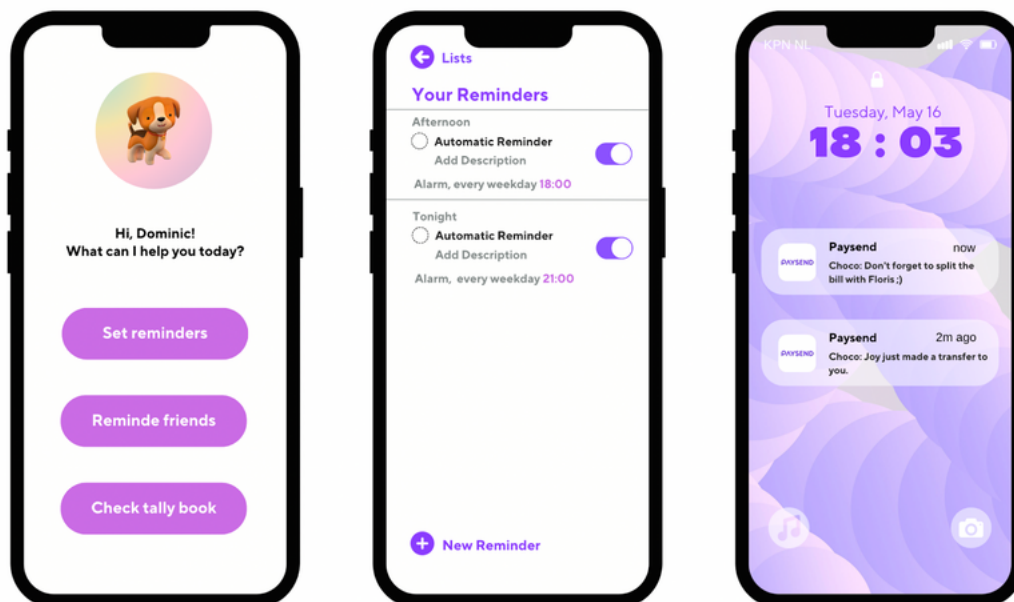


Image 4: "Cookie Rewarded"



Image 5: Personalization of PayPet Home

Image 6: Reminder-setting and Notifications of PayPet



Beyond being a digital companion, Paypet serves as a financial assistant, helping users to deal with awkward negotiation issues on money slitting, which satisfies the need of our target audience. Given that our target audience noted that money-slitting matters are easily forgotten, one of the functions of PayPet is to help users manage their finances by setting personalized reminders (Image 6) for various transactions, for example, to repay outstanding payment arrears. Those reminders will automatically send notifications to the people who still have to pay. Importantly, both reminder settings and notifications are integrated with PayPet, meaning that PayPet will actively remind both users and their friends to complete payments.

In essence, the core concept of this prototype is to create a virtual community, PaySpace. PaySpace brings users' PayPets together and enables users to interact with each other through their PayPets (Image 7). In addition, PaySpace is a user community that incorporates functionalities including money-splitting and notifications with gamification elements, facilitating users to make money transactions easily and entertainingly. In other words, PaySpace is a synthesis of functionality features (such as money transactions, money splitting, and reminder-setting) and entertainment features (PayPet).




Image 7: Virtual community: PaySpace

PROTOTYPE TESTING: INTERVIEWS

To validate this prototype, we engaged in interviews with several international students. For a clear and engaging explanation of our prototype, we've utilized an infographic titled "One Day with Floris" to illustrate its key features effectively (Image 8, see Appendix 1). On the whole, our interviewees expressed that the prototype, enriched with new features, offered a more appealing experience than the current version, which they found lacking in entertainment elements. Interestingly, two of our interviewees mentioned that even the existing visual design of PayPet could be a motivator for them to use Paysend. Furthermore, one interviewee pointed out that the concept of virtual pets could resonate with those who aspire to pet ownership but are limited by time and energy. Separately, one interviewee identified a unique appeal of this feature to individuals who are interested in pets but are hindered by allergies to pet hair. However, two interviewees expressed a concern that despite their initial attraction to the PayPet concept, their interest might wane as the novelty wears off. Moreover, one interviewee asked if she could keep a rabbit in the app, which provides insight into the expansion of PayPet's diversity.



**"I WISH THERE WERE
MORE PETS FOR ME
TO CHOOSE FROM"**



**"I DON'T HAVE ANY
PETS IN REAL LIFE,
BUT I LIKE TO KEEP A
VIRTUAL ONE!"**

PROTOTYPE TESTING: SUPPORTED BY LITERATURE

1

The virtual community: PaySpace

Furthermore, building on the insights from the Technology Continuance Theory (TCT) [5], we understand that user engagement and long-term adoption of a tech-based app like Paysend hinge on their perceived usefulness of the app. With the launch of PaySpace, we've struck a balance between utility and entertainment, offering a unique platform where users derive tangible benefits, which in turn promotes sustained usage [6] [7]. Hence, the incorporation of PaySpace into our app portfolio has the potential to notably enhance user retention.

2

Notification setting

Additionally, the effective use of notifications in mobile payment apps like Paysend has been shown to enhance user engagement. Essentially, people tend to respond more proactively when faced with a potential threat or negative outcome. In the context of our prototype, we utilize this principle, derived from the Protection Motivation Theory (PMT) [8]. When users receive notifications about the money they owe to their friends, it can spark a sense of urgency, motivating them to act swiftly to avoid potential conflicts or harm to their friendships. This response can ultimately boost their overall engagement with the app.

3

Gamification in mobile payment apps: PayPet

Drawing from existing research, introducing elements of gamification in mobile payment apps can effectively enhance user engagement and retention. Specifically, aligning with Self-Determination Theory [9], gamification designs that satisfy users' competence, autonomy, and relatedness needs could boost their motivations to use the apps [10]. This enhanced motivation strengthens users' perceptions of the apps' user-friendliness and practicality, leading to more positive attitudes. Simply put, if the app's features make users feel competent, autonomous, and connected with their friends, they're likely to find using the app more enjoyable. With this in mind, we designed PayPet to help users feel a sense of achievement, attained through earning rewards for taking care of their PayPet Plus, we added a personal touch by letting users customize their PayPet's home with furniture and decorations of their choosing.

CONCLUSION AND RECOMMENDATIONS

In conclusion, to address Paysend's challenge of marketing its services to the Gen Z demographic, this project developed a prototype tailored to this group's unique needs and tastes. This prototype seamlessly combines the playful nature of PayPet with practical elements such as money-splitting, resulting in a user experience that makes financial transactions simpler, more enjoyable and more engaging. The gamification feature, Paypet, designed to meet Gen Z's craving for entertainment, is expected to boost their engagement and retention of the app. In addition, PaySpace, which functions as a synthesized platform of entertainment and functionalities, can potentially enhance users' long-term engagement. At the same time, By incorporating PayPet and money-splitting functions into PaySpace, we've developed a virtual community where users can manage their financial transactions with friends and loved ones with ease. Within this community, users can foster connections and interact with friends through their PayPets, thereby creating a vibrant social ecosystem that attracts and retains more users.

Although our prototype made strides in making Paysend engage Gen Z, there is room for improvement. Based on the feedback received during the prototype testing phase, there are two main concerns regarding the design of the Paysend prototype, which provide valuable insights for further improvement. The first concern relates to the long-term effectiveness of

the PayPet feature. While initial feedback indicates that users find it interesting to have a virtual pet, there is a potential risk of users becoming bored over time if the feature remains static. This highlights the importance of introducing elements that maintain long-term engagement and provide ongoing interest for users. The second concern focuses on the diversity of the PayPet feature. While cats and dogs are widely popular and beloved pets, it is crucial to consider the interests and preferences of a broader range of users. Some individuals may have a preference for pets. By incorporating a greater variety of pet options, Paysend can cater to a more diverse audience and ensure that users feel a strong personal connection to their virtual companions.



To address these concerns and further improve the prototype, the following insights and proposals are suggested:


- **Enhancing Long-term Engagement:** It is important to introduce dynamic elements within the Paypet feature to keep users engaged over an extended period. This can be achieved by incorporating a variety of activities, challenges, and goals for users to undertake with their virtual pets. For example, introducing mini-games, daily tasks, or evolving pet behaviours can provide ongoing incentives and ensure that users remain interested and invested in their virtual companions. Also, periodically updating decoration items, for example, seasonal items or incorporating co-branding items, can enhance users' engagement and retention.

- **Expanding Pet Options:** To cater to a wider range of user preferences, the prototype should include additional pet options beyond cats and dogs. By introducing pets like rabbits, turtles, hamsters, or even mythical creatures, Paysend can provide users with a greater sense of personalization and allow them to choose a pet that aligns with their interests and preferences.

By incorporating these insights into the prototype design, Paysend can address the concerns raised during the testing phase, enhance long-term engagement, and ensure a more inclusive and personalized experience for users.

WE THANK YOU
FOR READING OUR
CONSULTANCY
REPORT

APPENDIX 1: INFOGRAPHIC





ONE DAY WITH FLORIS

PAYSEND * BAGEL X

WHO IS FLORIS?

Age: 23 years old (Gen Z)
Occupation: An international student at UvA
Programme: MSc Communication Science
Hobbies: travelling, taking adventures, socializing
Values: diversity, inclusivity, financial mindedness
Residence: living in in Amsterdam with 3 roommates






WHAT IS PAYSEND? AND WHAT'S NEW?

A fast, simple and secure global money transfer app
Send & request money from friends and loved ones
Multi-currency accounts and PAYSEND cards


FLORIS' SCHEDULE-11:00 AM

BRUNCH WITH FRIENDS & PLANNING TRIP OVERSEAS

Floris has some friends from different countries and they often hang out together. They have a **PAYSEND group**, where each of them is represented by a **digital/virtual pet**. Today they will have brunch together and plan their trip to the USA. They can deal with the money related matters in **PAYSEND** with their **pets**, like money splitting and international payment.



DIGITAL/VIRTUAL PETS



FLORIS' SCHEDULE-3:00 PM

RENTAL PAYMENT & DAILY GROCERY SHOPPING

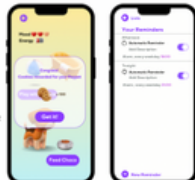
Living in a shared flat means **frequent money splitting** with roommates. From **large amounts** like monthly rent to **small amounts** like daily grocery shopping, Floris can always **split the shared bills** with his roommates easily via **PAYSEND**. Moreover, his **foreign roommates** can pay with different currencies directly.

MONEY SPLITTING

FLORIS' SCHEDULE-8:00 PM

DAILY BILL CHECKING & PAYMENT REMINDING

It is sometimes difficult to talk about money with **friends from different cultures**, which might cause discomfort. Floris has a **personalized reminder setting** in **PAYSEND**. If someone forgot to pay the bills, the reminder will work and the electronic pets will do the job. Paying billings is a way to **get cookies rewarded** to feed your pet.



PERSONALIZED REMINDER

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