

SUBSPACE

Team ID: 13

Recap

Subspace is building a unified platform for the rising subscription economy.

- We started as a subscription-sharing and management tool among friends in college
- Now we aim to become a one-stop marketplace for subscriptions (utilities, entertainment, education, etc)

We are going to be a marketplace for subscriptions:

1. **For Consumers:** A tool to buy, manage (payments, track from one place), split, and get personalized recommendations for subscriptions
2. **Subscription Service Providers:** A marketing/customer acquisition tool, that makes it easier to retain existing customers.

In summary: *We provide 1 tool to people, to use any Subscription based service responsibly and effortlessly.*

💡 Kindly find here - a complete resolution of the feedback that we received in task 1 - [Link](#). Here, we have justified the difficulty of the problem and the USP we built to make a business out of it.

Legitimizing the Problem Statement & finding the User segment

To make something people want, it is important to ask them first. For this, based on experience and research, we started with 3 hypotheses and conducted surveys to improve our understanding.

Hypothesis 1: Users finding it painful to manage and track subscriptions

- Only **19.3%** of users are able to track/reevaluate the value/cost of their subscriptions with existing solutions, we can definitely aid in doing this better for them. (find detailed analysis for survey metrics of this hypothesis [here](#))
- Our key user base (74%) lies in the 18-23 age group. Overall Target Group lies in 18-26.
- **Customer Persona:** High School/College Students (18-23), New Employees (23-26).
- Find detailed analysis for survey metrics of this hypothesis [here](#)

Hypothesis 2: Difficulting in Splitting Subscriptions

- **89%** of people want to split the costs of their subscriptions
- **34.8%** are fine with sharing with strangers provided a trusted platform
- **>50%** would share if Data Privacy and Trust Issues were solved
- Find detailed analysis for survey metrics of this hypothesis [here](#)

This validates the existence of the problem and the majority of people would split/share their subscriptions given a trusted platform.

Hypothesis 3: CAQ and Retention hurdles for Service Providers

- Service providers face several hurdles in acquiring and retaining customers, including competition from other companies, difficulty in identifying the target audience, limited budgets for marketing and advertising efforts, and the need to track and measure the effectiveness of customer acquisition efforts, which can significantly impact the growth and success of a subscription service provider.
- This has been validated through conversations with representatives from companies such as KukuFM, BetterHalf, FitPass, HoiChoi, and HealthifyMe.

User interview and Insights

We conducted interviews with an extensive demographic, from various backgrounds to ensure that we understood the market and the clientele well.

Here's the user interview list - [Link](#)

Key user insights

- Users subscribe to **various OTT platforms, food delivery services**, and utility services and software.
- The current methods of keeping track of subscriptions include **SMS, email**, and writing them down.
- Challenges faced are **forgetting to renew subscriptions** and managing **multiple bill dates**.
- Users are looking for a subscription management app, with features like bill management, reminders, and a place to manage all subscriptions.
- Users prefer receiving reminders through **email or push notifications**.
- **Concerns** about using a subscription management app
 - **Security**
 - **Data privacy**
 - **Additional costs**.
- Some users used similar apps. User retention is low, reason, **lack of features, flexibility**

Explaining the product engineering

Let's talk about 4 key features that make Subspace a very defensible, value additive:

90x speed magic

1. **Improved speed and accuracy:** The message parser is **90x** faster and more accurate than competitors, making it a reliable tool for extracting subscription information.
2. **SMS and app analysis:** The parser extracts information about existing plans based on both SMS and installed apps, providing a comprehensive analysis.
3. **Automated subscription detection:** The improved subscription detection system eliminates the need for manual entry, allowing users to gather subscription details from their SMS.
4. **Transactional message classification:** SMS are passed through a transactional message classifier to accurately identify the service being used. The parser uses regular expressions and the “**duckling model**” to extract transactional amounts and dates to identify the plan and expiration date, providing a complete picture of the user's subscriptions.

Subscription splitting

1. **Customer flow:** The customer flow begins with the tracking of subscriptions, and providing information on the available slots and a screenshot of the payment invoice.
2. **Plan Validation:** The plan's price and expiration date are validated using Google Vision and Duplicating Model to ensure accuracy and reliability.
3. **Plan Availability:** After validation, the plans are made available for customers to purchase. In case of failed plans, users are notified to contact customer care for assistance.
4. **Subscription Delivery:** After purchasing plans, users are added to a chat group where administrators share their subscriptions.
5. **Money management:** To prevent fraud, money is managed internally for split subscriptions. Funds are transferred daily from locked to unlocked Subspace wallets for administrators, who have the option to withdraw the unlocked amount.

Fraud detection and analysis

1. Fraud commits involved splitting subscriptions and taking the money before leaving the app.
2. The issue was solved by handling the money internally and making daily payments within Subspace's wallet. This **prevented fraudsters** from leaving until they received the full subscription amount.
3. The solution also created a **new revenue model** for the company. Building trust among users was also a result of this solution.
4. Subspace implemented an internal transaction system to mitigate fraud by utilizing a daily payment structure within their **proprietary wallet**, thereby creating a new revenue stream and **enhancing trust**
5. Only allow the users to share the subscription after validation of the paid slip. We use **Google Vision** to extract the text from the image of the payment slip after the user has uploaded it. The price and expiration date of the plan are derived from the extracted text using the duckling model, which we use to verify the plan and expiration provided by the user.

Search functionality

- The search engine is designed to help users to search for plans to buy and track on different subscription platforms and movies/web series.
- It also keeps track of which platforms the movies or web series are available, via **automated scraping**, and enables them to navigate directly to those platforms with just a single click. This saves users time and effort in searching for content on multiple platforms.
- Moreover, the engine allows users to keep track of their watch lists, likes, dislikes, and other preferences making it a convenient and personalized solution for movie and web series enthusiasts.

Current Analysis

Existing solution comparison

- We are the **only** subscription splitting tool that provides **splitting with friends as well strangers** with inbuilt payment infra, other platforms are simply expense split calculators with no discoverability or payment service
- Others are competing with our marketplace feature for unsplit subscriptions and are spending huge on marketing to acquire users while ours is completely organic(through subscription splitting). This will help us provide better deals and acquire markets quickly.
- We also provide the highest control for the merchants(a direct marketing tool) and users.

	Competitors		My Product	
	Now	In 1 Year	Now	In 1 Year
Must-Haves				
Subscription Splitting	N	N	Y	Y
Internal Auto-pay Feature	N	N	Y	Y
Common Subscription Marketplace	Y	Y	Y	Y
Pool Financing	N	N	N	Y
Coupon Discounting	N	N	Y	Y
Performance Benefits				
Search feature	Low	Low	High	High
Ease of use	Medium	Medium	Medium	High
Fraud prevention	Low	Medium	High	High

Current app downloads and reviews

- Subspace has around **80k users**, with over **1 million split transactions**, **28,016 shared bills**, over **9.5 million messages** sent internally, and over **137,244 wallet transactions**.
- The app has received **4.6/5** ratings on the [Play Store listing](#) and has received positive reviews for its user-friendly interface, easy subscription management, and top-notch customer support.
- Reviewers also appreciate the app's ability to help split expenses and share plans, with the impressive money-handling technique with a robust system to prevent scams.
- Some of the specific pain points we face in acquiring new customers include competition from other OTT companies, difficulty in identifying the right target audience, and limited budgets for marketing and advertising efforts.
- Currently, we track and measure the effectiveness of our customer acquisition efforts through a combination of metrics such as website traffic, conversion rates, customer engagement, and customer retention rates.

Current features overview and scope

The app designs are present in our prototyping software, as pages in a Figma project, Checkout the Concise app flow, Complete app flow, and Complete Web Flow at [Design Link](#)

It handles everything related to subscriptions, allowing users to buy, track, manage, and split them all from the same platform.

Key features of Subspace (Feb'2023 version) include

- Automatic detection of subscriptions
- Group savings through split subscriptions
- Full information about services and plans
- Easy re-subscription and cancellation
- Exclusive offers and discounts and coverage of multiple categories, from entertainment to sports

We hold valuable consumer data(age group, spending habits) that allows us to target them with specific promotions essentially leading to **precision marketing**.

For existing subscriptions sending timely reminders/auto deducting money from their subspace wallet would help us get rid of credit card issues and ensure customer retention

Future functionality and Business

1. Onboarding official service providers: Exclusive platform-only deals enable a commission-based transaction business model
2. Establishing platform as Customer Acquisition channel (Precision ads), Trial and experience programs
3. Setting up auto debit through Subspace wallet (reduction in payment failure + higher rate of customer retention), currently, we are doing it for the split payments
4. **MSME subscription management** - Providing MSMEs with the capabilities to convert their services into subscriptions and act as a tool to Market & sell their services/products and manage customers & payments.

5. **1-stop coupon shop and purchase flow** - Buying coupons and vouchers for various services/products can be quite complex. We simplify this by bringing all kinds of vouchers/coupons in one place and allowing bulk buying.
6. **Capital management of split money** - We charge users in advance for split subscriptions and pay the admin of the subscription on a daily basis and that too in their Subspace wallets only. This helps us stay always cash rich which can be used to provide BNPL services. There are a lot of expense-splitting apps(like Splitwise), but none of them support payment infra, we shall bring expense splitting with Payment Infra.

In Summary:

The user base of the platform being developed includes individuals and subscription service providers. The individuals, who validated the problem statement, are primarily in the age group of 18-23 and the target group lies between 18-26. This means that the primary customer persona for this platform would be young, high school/college students and new employees who are interested in sharing the costs of their subscriptions.

The validation of the problem statement highlights that a significant number of people, 90%, are interested in splitting their subscriptions. However, they are concerned about data privacy and trust issues. To address these concerns, the platform aims to provide a trusted environment where users can split their subscriptions with ease.

Additionally, the platform also aims to help individuals manage and track the costs of their subscriptions more efficiently. This is supported by the fact that the majority of people who validated the problem statement track and reevaluate the value and cost of their subscriptions.

Finally, the validation with representatives from various subscription service providers confirms the existence of hurdles in acquiring and retaining customers. The platform intends to provide subscription service providers with the tools and resources they need to overcome these hurdles and grow their customer base.

Overall, the platform being developed is aimed at addressing the needs of individuals and subscription service providers in the subscription industry. By solving the problem of splitting subscriptions and managing costs, the platform aims to provide a comprehensive solution that benefits both individuals and service providers.

You know what?

Actions speak louder than words. Experience what 80k+ users are loving at [Subspace](#)

References:

- Subspace Teaser: <https://youtu.be/Qrg5iF3n7bM>
- App Trailer: https://drive.google.com/file/d/120Ur-JPhErkrWt-t0-2tpw7PrQOy-1Bn/view?usp=share_link
- Website link: <https://subspace.money/>
- Play store link: <https://play.google.com/store/apps/details?id=org.grow90.whatsub>
- Organic growth unpaid (Youtube): https://www.youtube.com/results?search_query=subspace+app