

ChangEd



“Leave change, live change”

Executive Summary

Scenario 1: According to census of India in 2011, the total population of India is 1.2 billion. As per a UIS Information Paper released by UNESCO in June 2013 on the global literacy trends, India ranks among the top countries having highest number of illiterate adult population of 287 million, amounting to 37% of the global total. Adult literacy rate is based on 15+ years age group. It is estimated that possibly 60 million children, aged 6-14 years, are out of school and not getting education. These levels of illiteracy are opposed to the individual's progress, subsequently resulting in slowing down nation's progress. As per various studies done by the Government of India and numerous other organizations, the topmost reason for illiteracy in India is poverty i.e. lack of economic means to afford the cost of education.

Scenario 2: There are people across economic strata that have both the money - at least in small amounts - and the intent to donate it for useful causes like education but are unable to donate either due to lack of media, information or time.

Scenario 3: The world's second most populous nation, 10th largest economy and the largest democracy, still uses paper cash to settle a majority of retail transactions.

The dependence on paper currency is deeply rooted in India's culture and psyche. Part of it has to do with lack of mass electronic payments infrastructure, but then it's a chicken-and-egg situation. Vendors don't invest in electronic payments due to lack of revenue incentive and consumers don't adopt due to lack of acceptance mechanisms.

In India's GDP, a lion's share of monetary transactions is occupied by currency notes and coins and stands at 12.04%. Also according to a report by Payment Council of India and PwC, cash amounts to a total of 98% as a mode of consumer payments in India.

Scenario 4: If you've shopped in India or travelled in public transport, you likely know the problem. You go to a store to buy a few things and when it's time to pay, you hand over the cash. But the cashier's run out of change. Instead of the few rupees you're owed, the cashier gives you one or two candies, or a stick of chewing gum, to make up the shortfall. You want those coins, the exchange doesn't feel quite fair – and it's bad for your teeth – but you're reluctant to make a fuss. You travel in a cab and when it's time to pay, you hand over the cash. But the cab driver is out of change.

A survey conducted in 2012 by the Reserve Bank of India, in response to complaints from the public, found that 44% of people in 12 Indian cities had the same experience; candies instead of coins for change.

Over half (56%) of shopkeepers questioned in the survey said they found it hard to give correct change as coins weren't easily available. Another 27% said they did not want to keep coins in stock.

But 11% were even more candid. For them it was too much hassle to select, count and give customers their exact change, the survey said.

What if all the above scenarios are integrated with each other - resulting in the mass population of the country providing support for education of the needy by donating the small changes of money that are often written-off or exchanged for candies ?

ChangEd is an innovative and unique mobile application implementing the novel concept of utilizing the 'spare' money available in the form of money due to be returned (i.e. 'change') for education of the needy with the help of Non-Government Organizations (NGOs) through a quick two-click process.

ChangEd provides a platform to donate the change (that is normally written off) for the worthy cause of education of the needy. Even if a small subset of the urban population starts donating change, it would sum up to a big amount enabling the needy to get education and lead a respectful happy life.

Just as drops of water make an ocean, every penny accumulated and donated results in a substantial amount that can educate hundreds of thousands.

Mission

The population of India is 1.250 billion out of which the rural population is 810 million and the urban population is 440 million. The rural population of India is scattered in the 638,000 villages spread across the country. India has a large number of villages in which many of them lack in providing basic education to kids. It was Dr. APJ Abdul Kalam's dream to help develop India into a knowledge superpower by 2020. He believed that if the gap between urban and rural can be reduced, then India can develop into a superpower. If the rural Indians, especially youth are educated, then India will be on the path of progress. Inspired by Kalam's dream, we have come up with ChangEd.

Our mission is to provide quality education for needy population, to provide more and better opportunities to them. ChangEd has been made with the aim of collecting the spare from any transaction, which will then be used to provide quality education to the needy who are deprived of this mandatory need of life. In today's bustling and busy world, people let go of the change instead of haggling with the shopkeepers, drivers, etc. and give no second thought to it. Instead, if every person in our populated society starts donating that change and not simply give it off, then these small amounts can add up to a great sum of money.

ChangEd attempts to bring about a mindset change in the society by inspiring and enabling people to utilize the small amounts of money change for a noble cause that is otherwise a foregone amount (either willingly or unwillingly).

To make a small contribution to this big goal, ChangEd would sign up with NGOs that work in providing education to the needy in India. We plan to enable education, initially, for at least 10 children every week i.e. more than 500 children in a year.

Market

ChangEd has potential for a user base consisting of two primary user segments:

- Service providers (public transport owners/drivers and shopkeepers)
- Non-Government Organizations (NGOs) involved in the education of needy

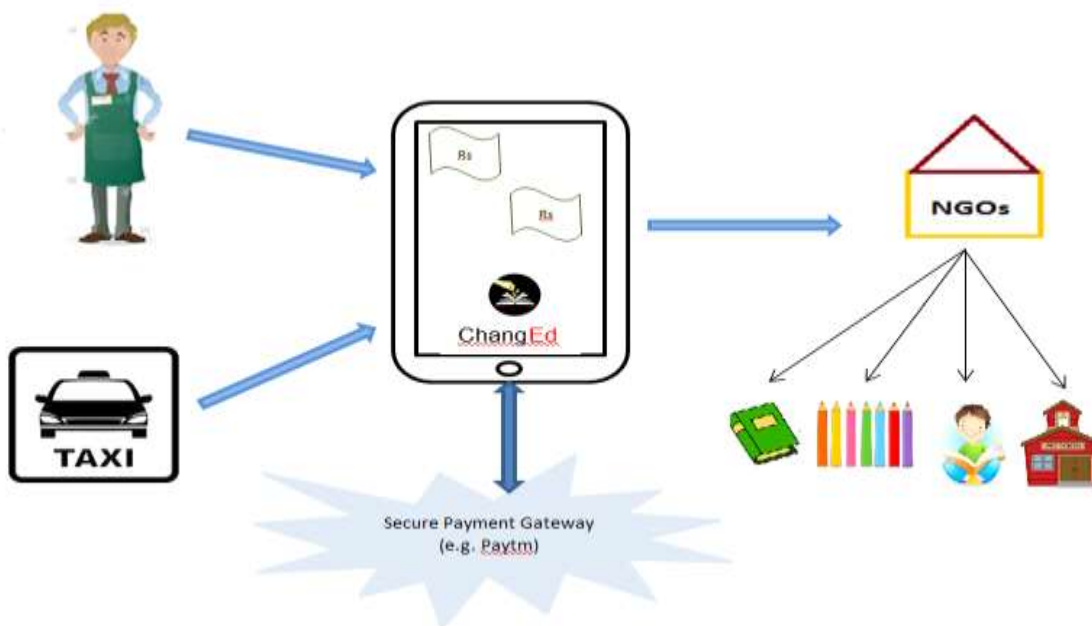
It has a wide market reach covering every individual involved in cash transactions across the country.

Product

ChangEd signs up with reputed NGOs involved in the field of education and enable them to meet their fund demands for education related projects through donation. The product enables the users to donate change in small denominations through payment gateways (like Paytm) that make the transactions easy and secure. *(Since the current implementation is a prototype, payment gateway has been mocked and not actually integrated.)*

Using inbuilt intelligence, ChangEd routes the donated money to NGOs on a priority basis determined by different factors like the urgency and amount required.

Most of the reputed NGOs register themselves under Section 80G of India's Income Tax Act. As per the Act, donations given to such organizations are eligible for tax deduction - normally 50% to 100%, depending on various criteria - in the hands of the donor, subject to certain conditions. As part of the actual product implementation, ChangEd would procure and email a receipt of the donation from the NGO to the users, thereby passing on tax benefits to the users.



Competitive Edge

There are two similar services in the market - ChangUr and changeforchange.org.

ChangEd is a unique mobile app which focuses on micro donation of physical spare change for the purpose of providing education to the needy in India. Though there are existing similar apps and websites, they neither offer a simple centralized mobile app nor do they cater to the Indian market unlike ChangEd which enables integration of change donors and NGOs.

Competitive Analysis

Features	ChangUr	changeforchange.org	ChangEd
Mobile application – Android	√		√
Available in India			√
Physical spare change		√	√
Used only for education			√

ChangEd's value proposition is:

- Mobile Platform – Users can use it anytime, anywhere
- Ease of use – Donate with two clicks
- Ubiquity – Any Android user can download it from Google Play Store.
- Scalability – Can support unrestricted number of NGOs and more payment gateways.

Team

ChangEd is developed by team 'Changers' comprised of Aanchal Agarwal, Anushka Nair, Nidhi Nair, Suchrithaa Rajkumar and Vidhi Kothari. We study at New Horizon Public School, Bangalore, India. We would start our 9th grade after the summer break.

We extend our thanks to our mentors – Khushboo, Kaaveea and Yeshwanth.

Key to Success

ChangEd allows users to donate just by two clicks. It strives to solve a social problem of providing funds for education of the needy and change the attitude of people towards spare money. ChangEd is unique; it can be a sensation among the public and awaken the enthusiasm of donating. The app deals with micro donation which wouldn't make the users think twice to donate and they would also apprehend the joy of educating the needy. The wallet feature in the app facilitates easy storage and transfer of small amounts.

We believe our keys to success are twofold - simplicity and scalability. The app is simple to use and the application can scale by adding new NGOs, languages and so on.

Product Description

ChangEd is an Android mobile application. It lets NGOs sign up with the product with a target to fulfill funding for education specific projects. It allows users to donate loose change - in small denominations - at any time, from any place. It provides a unique, simple and effective solution to an important and urgent need of making funds available for education of the needy people in India.

For NGOs:

- For registration, the NGO(s) will contact us through our Email provided in the info page.
- The NGO(s) will provide information related to their registration with Government authorities, bank account details where the money has to be donated, details of the project, amount required for the project, date by when required. They would also provide regular updates on the project, like how the fund is used. This would be displayed in the News Feed section of the app.
- Future plan: The NGO(s) will be provided facilities for self registration and self-updation of information.

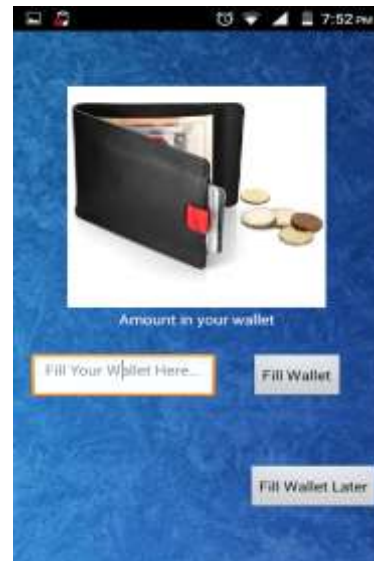
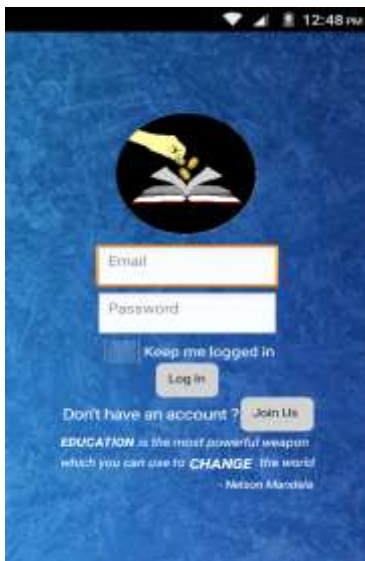
For Users:

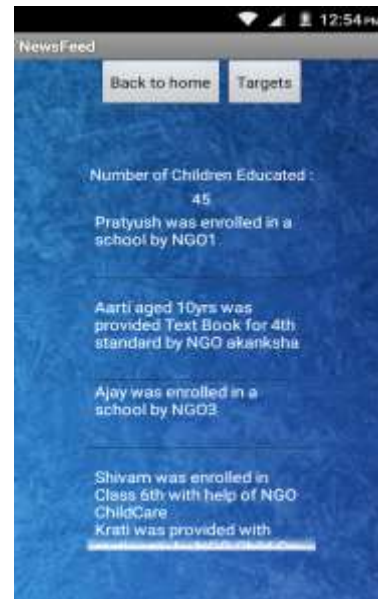
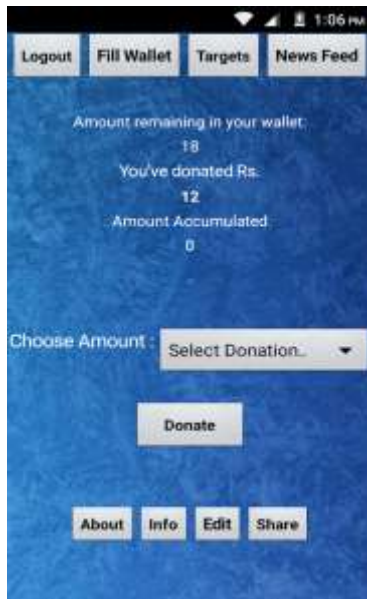
- The user has to register once.
- One of the important features of the app is the wallet. This is a virtual representation of the loose change. Based on the past transaction history, the user (is aware of) knows the physical change that is typically left off with him. The user fills the online wallet in the app with this anticipated change amount.
- On a regular basis, say daily or weekly, the user selects the amount he wishes to donate (Click One) that 'accumulates' the change per transaction, so that the app tracks the change to be

donated. End of the day or week, he can 'Donate' (Click Two) the accumulated amount. On every donation made by the user, the amount in the wallet keeps reducing accordingly. The user can refill the amount in the wallet when needed. The user does not have to enter his bank account for each donation. Thus it is safe, efficient and easy to use.

- The app has built-in intelligence to prioritize the NGO(s) and donate the money to each as per the specific requirement(s) dependent on the amount and date by when the funds are required.
- Every time a person's education is enabled through these funds, the users will be notified so that they know that they have indeed contributed in making a change in someone's life. Thus they will be encouraged to donate even further.

Few screen shots of the app :





Potential Market Size

ChangEd primarily targets users like small shopkeepers, malls and cab drivers. However, it does not restrict usage by other users who do not have loose change but may still wish to donate small amounts regularly. Using ChangEd, an Android mobile application, they can donate small amounts without having to go around in search of NGOs and without having the problem of donating small amounts. ChangEd targets NGOs that are focused in the field of education to the needy. It allows them to gather funds for their projects easily without them having to find people who typically make large-donations and are difficult to find. It helps them to focus their energies on the quality execution of their education projects.

Potentially, and ideally, the entire population of India is user of this product since every citizen of India is involved in cash transaction at some time or the other. This in turn can prove beneficial to hundreds of millions of people who remain uneducated due to lack of monetary support.

Branding and Promotion

ChangEd is an acronym for “(Money) Change for Education thru donation”.

We plan to achieve our mission by promoting donation of loose change i.e. micro donation on a regular basis to increase the literacy rate in India.

Due to a combination of Network Effects and technological progress, wider acceptance of ChangEd is anticipated.

ChangEd's solution aims to grow as a commercial venture while integrating micro donation and education as an effective, efficient and sustainable cause.

Social Media

1. We are promoting our idea through the facebook page <https://www.facebook.com/ChangEd-643525499135075/> which also serves as a portal for feedback and suggestion for additional features. We have designed an app logo and our tagline is: **"Leave change, live change"**
2. Upon registration and every donation, a post is made to the user's Facebook / Twitter profile, hence advertising the app.

Print Media

Promoting the app through physical posters and media ads.

Badges

1. Upon registration, every user gets a badge of the app logo via email that can be printed and displayed in their shop, vehicle, etc. This is expected to be beneficial for cab drivers and also shopkeepers as they would attract customers who are inclined to donate the spare which would increase the credibility of their business.
2. Upon reaching certain targets there will be additional badges sent.

Offers

1. Upon reaching a predefined amount of donation, the user will be gifted coupons of reputed brands signed up with us.

Pricing Strategy

- ChangEd will be made available free of cost to the users.
- Revenue generation planned through following 3 sources :
 - Advertisements on the app
 - A one-time registration fee charged to NGOs
 - NGOs will be charged 6% of their project fund value as service charge.

Annual report by Reserve Bank of India (2012-2013) on state of cash affairs in India

TABLE 10. STATE OF AFFAIRS OF CASH IN INDIA

Indicator	Value
Currency (value, Rs billions)	11,648
Currency growth, year on year	14%
Coin (value, Rs billions)	1,530
Coin growth, year on year	11%
Cost of new currency (Rs billions)	28.72
Soiled notes	20.4%
Counterfeit notes (parts per million)	6.77

Source: Reserve Bank of India, Annual Report 2012 - 2013

EuroMonitor Passport report on cash transaction profiling in India

TABLE 2. CASH AND NON-CASH TRANSACTION PROFILE FOR INDIA

Payment Type	2007	2008	2009	2010	2011	2012
Card Payment Transactions (Excluding Commercial)	2.8%	3.1%	2.9%	2.8%	3.5%	4.1%
Electronic Direct / ACH Transactions	2.6%	3.0%	3.8%	4.5%	5.6%	6.8%
Cash Transactions	90.6%	90.0%	89.7%	89.5%	87.9%	86.6%
Other Paper Transactions (Checks, Demand Drafts)	4.1%	3.9%	3.6%	3.2%	2.9%	2.5%

Source: EuroMonitor Passport 201

Sample calculation : Minimum anticipated revenue from source 3 above i.e. 6% service charge to NGOs

Section	Percentage	Numeric [In Rupees]
Total Physical Cash Transactions (in India)	86.6%	(Minimum) 10,000 billion
Total Change generated	(Assumed) 1%	100 billion
Total change donated	(Assumed) 1% of above	1 billion
ChangeEd Service charge	6% of each project value	60 million
Expenses	2% - 4%	30 million
Net Revenue (only from Service Charge source)		30 million

Combined revenue generation through source 1 and 2, in addition to source 3, is expected to be upward of Rs. 30 million.

Future Plans

- Users can view their history of transactions by logging into their respective accounts.
- Self-registration and management of NGO(s) on the app.
- Provision for rating the NGOs.
- Integration with multiple payment gateways.
- Enabling internal chat between the user and NGO to which the user's donation has been sent.
- Release APIs to enable other NGOs to donate through our app.
- Introduce a customers' version to keep them updated about the recent children educated.

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