

JUE MYERS
2020

Sunrise, A Post-Shopping Credit Card

Product School PMC
Final Presentation

Today's Discussion

Company Context
Online Shopping Trends
Product Opportunity
Product Sunrise Introduction
GTM Plan
Open Discussion

**"Innovation distinguishes
between a leader and
a follower."**

STEVE JOBS

Company Context

CORE VALUE: "COLLABORATION, INNOVATION, EXCELLENCE, INTEGRITY AND RESPECT."

As of 2016, Capital One was the third-largest credit card issuer in the United States, with 62.5 million active cardholder accounts, representing 11.13% of the total market share. In December 2016, Capital One reported **\$97 billion** in outstanding credit card loans in the US and **\$8 billion** in the UK and Canada.



Discover it® Cash Back

Bank of America® Cash
Rewards credit card

American Express Credit
Cards

Nordstorm Credit Card

and more ...

Competitors

CURRENT COMMON PAYMENT METHODS

Credit Card Benefits - Cash Back,
Merchant Discount, Reward Points,
Free ShopRunner Memberships

Current Online Shopping Trends

MARKET

- In 2019, ecommerce was responsible for around **\$3.5 trillion** in sales and is expected to hit **\$4.9 trillion** by 2021.
- Fashion is the largest B2C eCommerce market segment and its global size is estimated at **US \$620.6 billion** in 2019. The market is expected to grow further at 12.2% per year and reach a total market size of **US\$991.64 billion** by the end of 2024.

RETURN

- Up to **33%** of online sales will result in a product return.
- **92%** of shoppers say they will buy again if the returns process was easy.
- **79%** of consumers expect free return shipping, and 49% of online retailers offer it.
- More than **60%** of consumers review a return policy before making a purchase.
- **79%** of customers won't purchase from an online store that charges return shipping fees.
- **58%** of customers say they want a hassle-free return policy, and 47% want an easy-to-print return label.
- Penske found that businesses that invest in improving reverse logistics processes see a **12%** increase in customer satisfaction and a **4%** decrease in cost.

Product Opportunity

Bring consumers better
post shopping experience
partnering with multi key
players in the process



CHALLENGES AND OPPORTUNITIES

PRODUCT & SERVICES

- Use Credit Card & Mobile App functions to have easy return/exchange experience for retailers and end customer shoppers
- Allow customers to return and resale/donate products using UPS & Thredup



GAIN CREATERS & PAIN RELIEVERS

Gain Creators:

- Allow customers to have free shipping and return;
- Customers still get ~1.5% cash back for most online merchants;
- Allow customers save the trips to UPS drop off locations;
- Allow customers clean up closet more frequently and earn some small delightful money by using Thredup;
- Help environment be more sustainable by utilizing more donations and reducing waste & closet space at home

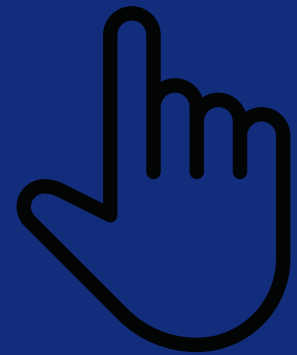
Pain relievers:

- Customers can shop online without additional worries on returns
- Customers don't need to waste long time to call customer service about returns
- Customers can get products within 2 days by using ShopRunner



Sunrise Return Process

CONNECT TOGETHER



1

**CUSTOMER
PLACES
RETURN
REQUEST
THROUGH
MOBILE APP**



2

**UPS PICKS UP
THE ITEM AT
CUSTOMER'S
ADDRESS TO
SHIPS TO THE
MERCHANTS**



3

**MERCHANTS
RECEIVE THE
RETURNED
ITEMS AND
ISSUE THE
REFUND**



4

**CREDIT CARD
BANK RECEIVES
THE CREDIT AND
PAYS THE
NETWORK
PROCESS FEE
AND PROCESS
THE REFUND**

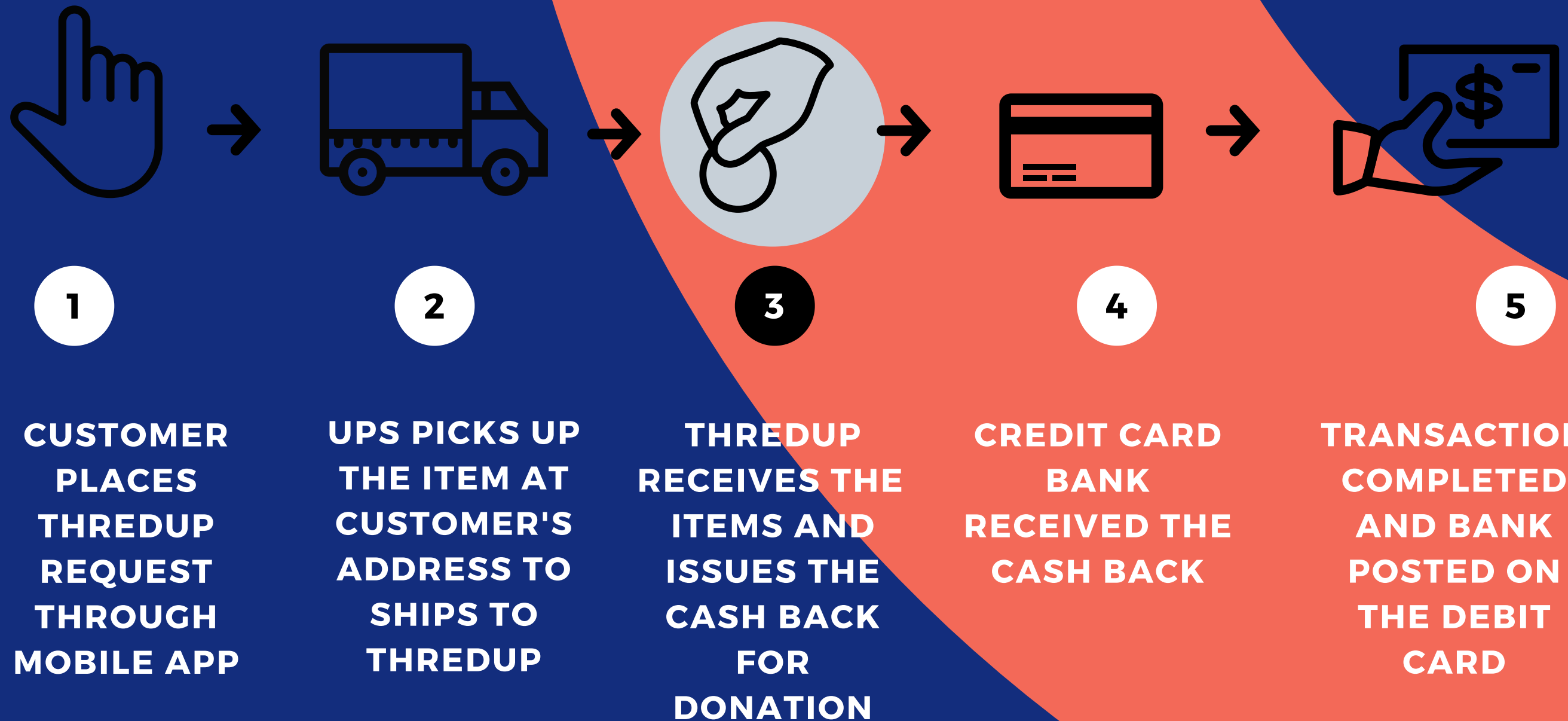


5

**REFUND
COMPLETED
AND POSTED
ON THE
CREDIT CARD**

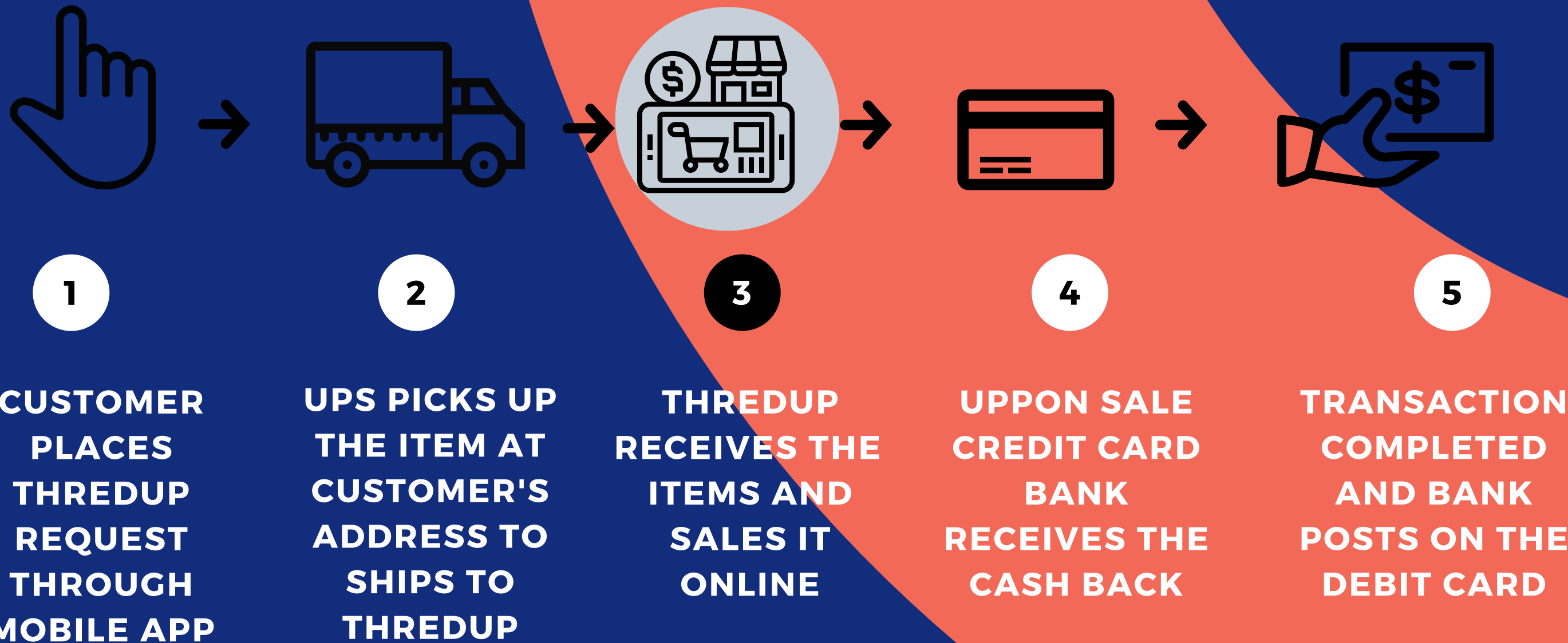
Sunrise ThredUp Donate Process

CONNECT TOGETHER



Sunrise ThredUp Sale Process

CONNECT TOGETHER





Key Persona #1

Jessica

- Female 25 yrs old
- Works in tech startup
- Master's degree in Computer Science
- Lives in the LA, likes to travel
- Frequently shops online in various fashion stores
- Part-time YouTube vlogger with 10K subscribers
- Mid-Good Credit Score
- Busy working schedule but still wants better fashion shopping experience
- Flexible work place (remote)
- Would like to try more clothing, new products to analyze and share online



Key Persona #2

Lisa

- Female 20 yrs old
- Undergraduate Student
- Lives in Ohio
- Shops online for fashion products frequently
- Returns clothing products frequently
- Likes more options to choose
- Prefers online shopping to brick-and-mortar stores
- Only shops when free shipping and return is available
- Has bad experience with return & exchange process
- Doesn't have American Express Credit Card
- School work is busy

Key Persona #3



P E T I T E S T U D I O

new york

- Small to mid-size clothing merchants companies
- High turnover rate of products
- High SKU and Low volume
- Limited Warehouse and Logistics processes
- No company credit card
- RMA process is slow and not profitable
- Sell more inventories
- Increase NPS/customer satisfaction
- Increase sold items and dollars
- Better return/exchange solutions
- Reduce shipping costs

Business Model Canvas

Key Partners/Suppliers

- Logistics companies (UPS)
- Shoprunner
- Insurance companies
- Merchandising companies
- Airline companies
- Thredup
- Nielsen
- Amazon (pending)
- Acorns (pending)
- Stich Fix (pending)

Value Propositions

- Better shopping experience from order to return
- Saving customer time
- Promote small merchants
- Increase customer confidence on the merchandising and emotional experience
- Analytics spending summary of customer's credit card
- Provide free premium acorns memberships (pending)
- Allow payment from cryptocurrency (pending)
- Merchants save money on call centers
- Merchants increase sales
- Reward/cash back system

Key Activities

- Software development (web + app)
- Database Management
- Logistics – shipping packages to delivery
- Software design
- Allow customers to choose post shopping options

Customer Relationship

- Trust
- Customer Service experience
- Referrals and incentives
- Savings
- Convenient shopping experience

Customer Segment

- Enthusiast: frequent shopper who is obsessed with fashion
- Frequent shopping who likes more options for fashion products with easy return/after sale experience
- Small-mid size designer stores with limited E commerce capabilities and customer awareness

Key Resources

- Relationship Management with partners, merchants and customers
- Algorithms for fraud detection
- Database creation and maintenance
- Analytics for customers
- UI/UX designer

Channels

- Mobile app
- Mobile pay
- Shipping & logistics
- Digital Marketing
- Emails, ads, etc

Revenue

- Interest
- Service fee
- Delay fee
- Balance transfer fee
- Commision fee from 3rd party (eg: small-mid size merchants)

Cost Structure

- Mobile Development (Fraud detection, Mobile app for post shopping process and database, Build API)
- Partnership relationship management
- Extended insurance policy fee
- Marketing costs – acquisition costs (promos)
- UPS cost for rewarded customers
 - Negotiation points: Benefits to UPS as the product helps promoting the schedule pick up business for long term
- ShopRunner membership costs
- UI/UX designer

Features & MVP

CREDIT CARD DESIGN

- [M] Design the credit card using company template and materials
- [M] Choose colors and designs to fit personas – emotions: happy, fashion, modern, courage, fast pace, reliable

ANALYTICS

- Spending Summary for the credit card into 5-7 general categories.
- Ways to allow users enter budget and compare budget and spending
- Ways to show the cash back \$ from regular transactions, Thredup cash back from selling, and donations
- Ways to have personalization finance advises (connect with other products offered by the company such as Car loans, Mortgage, etc)

FRAUD DETECTION ALGORITHMS

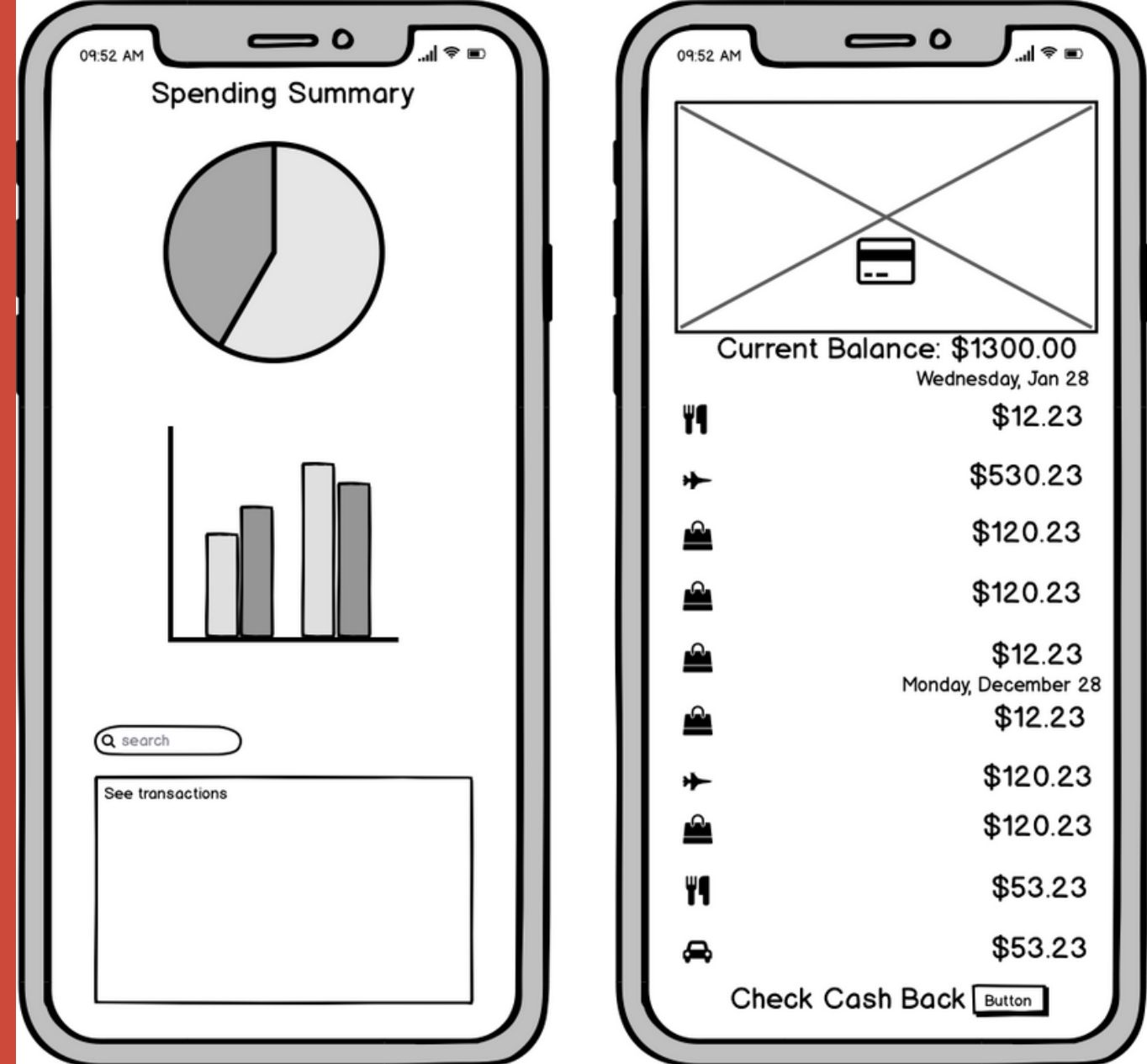
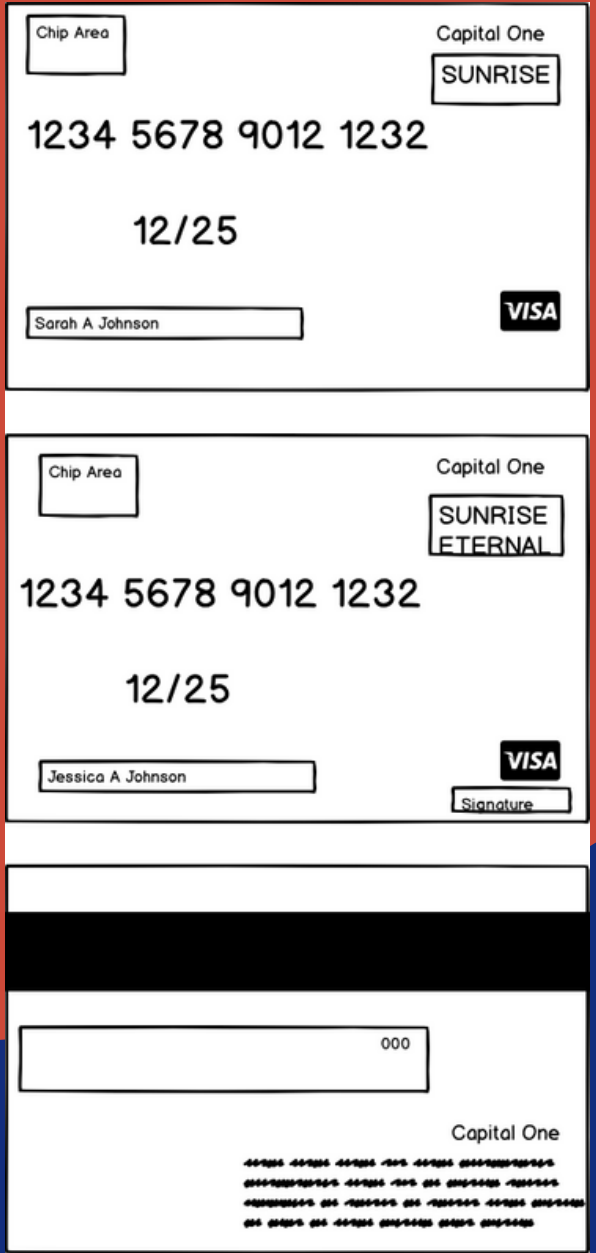
- Ways to increase accuracy on fraud detection of the credit card users (depend on other credit card PMs within the company)
- Ways to have notifications to verify fraudulent transactions

MOBILE APP

- [M] Way to see the delivery scheduling buttons on the first page in the SUNRISE mobile page
- [M] Way to see balances on SUNRISE mobile page (this should be same as existing products)
- [M] Way to add return, delivery pickup, and send to Thredup
- Ways to request Thredup bag buttons on both credit card mobile page and robot ENO chat
- Ways to link to Thredup account to request bag and link to associated debit card
- Ways to link UPS delivery pickup schedule
- Way to make Robot ENO supports 24/7 and save transcripts, then send to customers emails for future communication on specific transaction (depend on other PMs' use for ENO and general ENO vision)
- [M] Way to see transaction activity from payment to refund
- [M] Search past transactions
- [M] Ways to see monthly statements
- [M] Ways to pay bill
- [M] Ways to allow \$100 UPS credit automatically added when users spend \$3000 in the first 3 months after users opened the account
- Ways to make the credit card specific features look simple and easy to find buttons

Wireframe OF MVP

CREDIT CARD & MOBILE APP



Key Success Metrics

	AWARENESS	CONSIDERATION	DECISION	RETENTION
MOTIVATION	Research	Compare	Try	Compare
GOAL	Click posts	Click credit card Application Link	Apply for credit card	Continued usage
INTERACTION	Social Media	Websites and advertisements	Limited offers - Free credit	24/7 customer support
OPPORTUNITIES	Advertisements	Show benefits	Promos & Referrals	Loyalty & Reward Program - Cash Back

Awareness and Consideration Stage:

- Number of traffic clicks on social marketing posts
- Number of traffic clicks on credit card applications

Decision Stage:

- Number of Credit Card Applications

Retention Stage:

- Credit Card Transaction Volume and Dollar Amount
- Number of Merchants contracted/in the RMA database that can be searched and processed
- Number of Shipments delivered
- Profits from the Credit Card
- Credit Card Referral Rate

Objectives and Key Results (OKR)

OBJECTIVE 1: GAIN CREDIT CARD APPLICATIONS

Key Result: Obtain 2500 credit card applications within 1 month after release

OBJECTIVE 2: GAIN USAGE THIS NEW CREDIT CARD

Key Results:

- Gain 2000 active customers within 2 months after release (average usage of >\$1000 per month)
- Gain usage of >\$4M transaction volume within 2 months after release



GTM PLANNING

MESSAGING

- Get free shipping and returns for customers besides cash back
- Ease the post shopping experience including sending products to Thredup
- Help merchants manage the return process



4P

Product: Post Shopping Credit Card

Price:

Ways to calculate monthly balances and activities using below numbers

- Purchase Annual Percentage(APR) – 23.99%
- Balance Transfer APR – 16.99% - 23.99%
- Cash Advance APR – 24.99%
- Balance Transfer Transaction Fees – Either \$5 or 5% of the amount of each transfer, whichever is greater
- Cash Advance transaction Fees - Either \$10 or 5% of the amount of each transaction, whichever is greater
- Foreign Transaction Fees – 1.5%
- Late Payment Fee – Up to \$39
- Return Payment Fee – Up to \$39
- Return Check Fee – None
- Annual Fee – None (at least for the first year)

Place:

Nation-wide (online & offline); Capital One cafes; Digital marketing: social media, financial services providers, credit card analysis platform such as NerdWallet, paid influencers, content affiliates, credit card pre-approval page

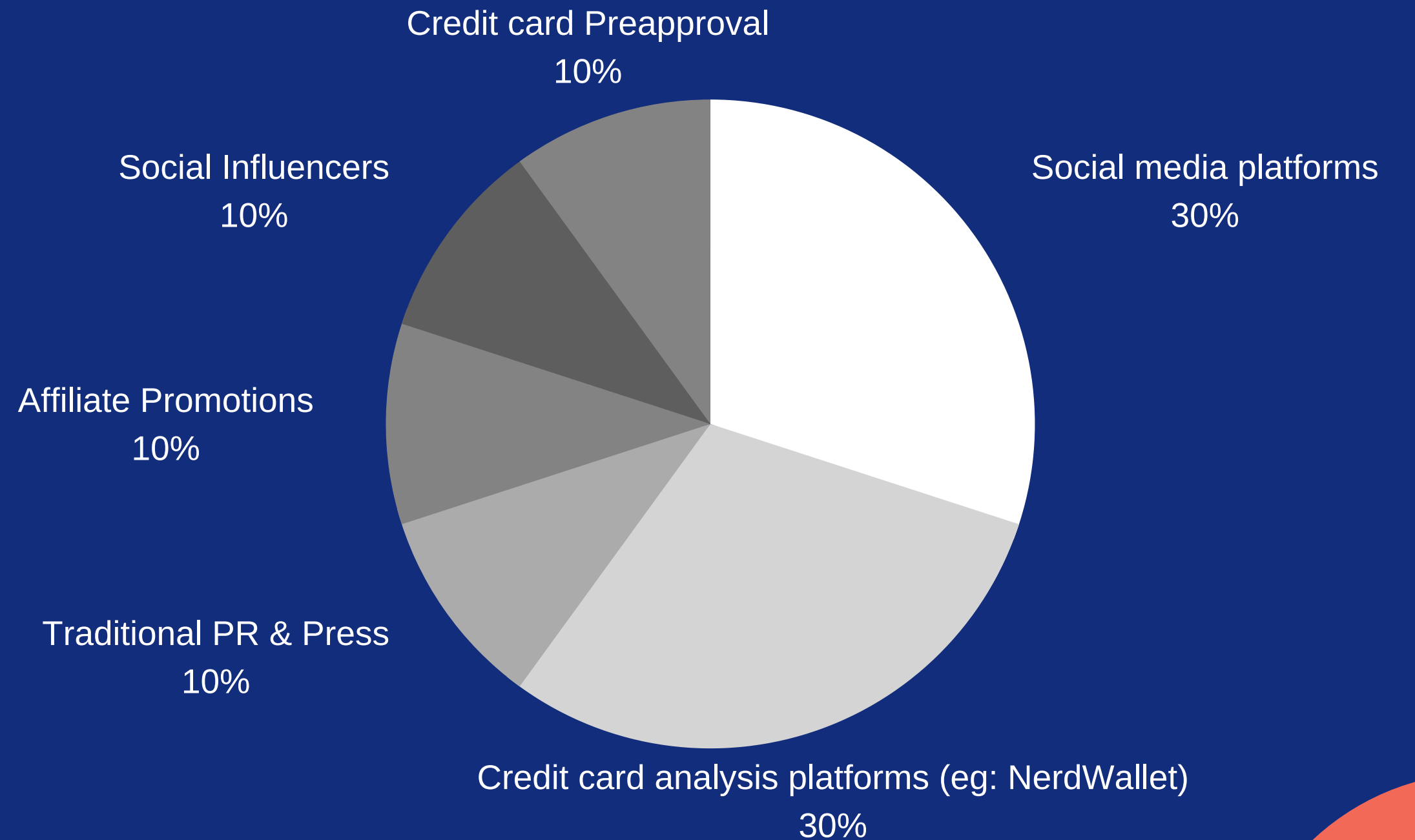


Promotion:

- Spend \$3000 in the first 3 months and get \$100 UPS credit;
- Refer A Friend who will apply for the credit card successfully and use the credit card within in first month by \$300 and get \$25 credit

Pre Launch

HOW TO REACH OUR CUSTOMERS?



SENSIBLE + FLEXIBLE



Launch & Post Launch

- Measure metrics
- Run campaigns to reach target personas
- Discuss future features and partnerships with key stakeholders or stop the product depending on the data returned

Moving Forward

BOLD PROJECTIONS

YEAR 1

Build minimal version and test it

YEAR 2

Do more research and may add a second level of credit card for high end customers

YEAR 3

Develop more features and look for new opportunities

**Thank you for
your time!**

Q & A





**"You've got to start with
the customer experience
and work back toward
the technology – not the
other way around."**

STEVE JOBS

