



**Project Number 683612**

## **D 7.2 – Final Exploitation Plan**

**Version 1.3**

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**Final**

**EU Distribution**

**petaFuel**

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## Document Control

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1.0	Document outline	08 January 2016
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## Executive Summary

This document constitutes deliverable *D 7.2 – Final Exploitation Plan* of Work Package 7 (WP7) of the VIMpay project.

The purpose of this deliverable is to fully outline the dissemination and exploitation path to be followed and the monetization strategy to be employed. The exploitation path to be followed is an updated path employed after the review and analysis of the exploitable components which are critical to the monetization strategy.

The deliverable outlines the activities and considerations that will be required to effectively disseminate and exploit the results of the project in Germany and the wider EU starting with Austria and the Benelux countries.

# 1 Introduction

Once VIMpay is aligned with the existing technical and regulatory frameworks that exist in Austria and the Benelux countries, the focus will be on dissemination, commercial exploitation of the project results and finding a sustainable path to continued exploitation on the wider EU.

Technical and regulatory discrepancies during exploitation of the project results may warrant ongoing adjustments to market entry efforts.

## 1.1 Purpose of the document

An initial preliminary enhanced exploitation and pricing plan was already submitted under *D7.1 - First enhanced exploitation and pricing plan* of Work Package 7 (WP7). The plan highlighted the exploitation and monetization path to be employed at the start of the project, with a stipulation for amendments and provisions during the initial phases of the project.

The final exploitation plan describes in detail the exploitation path and the sustainability efforts expected to be maintained and fine-tuned during the project.

## 1.2 Scope of the document

The Final Exploitation Plan is divided into three sections:

### **Commercial Exploitation**

The commercial exploitation involves the segmentation and exploitation of VIMpay project results based on predefined target groups in Germany, the focus countries, and the wider EU following a previously disclosed (in Work Package 7) exploitation and pricing strategy.

### **Sustainability**

A confidential assessment of the project results in terms of sustainable growth and expansion in Germany, the focus countries and the wider EU.

### **Additional markets and benefits**

First evaluations for the integration of potential market partners in order to improve the usability for VIMpay users.

## 2 Commercial Exploitation

As a continuation of the exploitation strategy planned in *D7.1 - First enhanced exploitation and pricing plan* of Work Package 7, initial results of the project will focus on smartphone users in Germany that have a propensity for smartphone banking, online banking and or have no access to a payment account. The same exploitation strategy will be employed for the initial focus countries and the wider EU.

### 2.1 Exploitation in Germany

The ideal VIMpay customer parameters and the Freemium pricing strategy will be maintained as defined in D7.1.

VIMpay Freemium Pricing Model			
	Basic	Plus	Premium
<b>Elements</b>			
<b>Maximum Account Balance</b>	300 €	2,500 €	10,000 €
<b>Revenue Limit per Year</b>	2,500 €	2,500 €	Unlimited
<b>Instant Top-up Limit</b>	15 €	500 €	500 €
<b>Source of funds</b>	ONLY reference bank account	ONLY reference bank account	From ANY account
<b>Monthly Subscription</b>	0 €	1,50 €	4,50 €
<b>Additional Charges</b>			
Plastic VIMpay Card	15 € (Optional)	15 € (Optional)	15 € (Required)
Plastic Card Personalisation	0 €	0 €	0 €
Flatrate for VIMpay account services: 1. Bank transfers (Max 15 / Month)* 2. Direct debits (unlimited)	(No VIMpay bank account)**	(No VIMpay bank account)**	5 € (optional)
(ATM Withdrawals) - per withdrawal	5 €	5 €	5 €
* An additional 0.15 € for each bank transfer over the 16th bank transfer			
** The user can ONLY make bank transfers from their own reference bank account. To make payments from a VIMpay bank account, the user has to upgrade to VIMpay Premium			

Monetization efforts based on the initial project results will be fine-tuned as the VIMpay versions are upgraded and newer value-added services become available as illustrated below:

<b>Monetization Strategy Review and Adjustment Strategy in Germany</b>		
<b>Value-added Services</b>	<b>Project Month</b>	<b>Review &amp; Adjustment</b>
Plastic VIMpay Card	M1	Defined strategy (D7.1)
Prepaid Mobile Phone Top-Up	M11	Initial review & adjustment
Banking Valet (previously Banking Bro)	M13	Final review & adjustment
VIMpay Connect		

The exploitable components as previously defined in D7.1 will be increased if any new value-added services are offered. The final levels of exploitation will be dictated by the initial project results. This will warrant adjustment of the VIMpay forecasts as illustrated below:

<b>Exploitable Component in Germany</b>	<b>Forecast (as presented in D7.1)</b>	<b>Initial project results dependency</b>
<b>Upgrade 1 (Plus VIMpay)</b>	34% of all active VIMpay users will make the first upgrade	Yes
<b>Upgrade 2 (Premium VIMpay)</b>	1% of all VIMpay Plus users will make the second upgrade	Yes
<b>Plastic VIMpay card</b>	12% of all VIMpay Plus users will order a VIMpay plastic card	Yes
<b>Prepaid Mobile Phone Top-up</b>	30% of all VIMpay active users will top-up their phone in the first year	Yes
<b>Value-Added Services (Banking Valet/Bro, VIMpay Connect)</b>	Free Customer Loyalty offer	No

## 2.2 Exploitation in the Focus Countries and the wider EU

The exploitation strategy of the project results in the focus countries (Austria and Benelux) and the wider EU will be dependent on exploitation and monetization strategy adjustments made in Germany.

The forecast (as illustrated in section 2.1) will be adjusted accordingly due to the fact that all VIMpay users in the focus countries and the EU will only have access to the Premium VIMpay version.



Monetization efforts in the focus countries and the wider EU will be based on the initial project results and newer value-added services that become available as illustrated below:

<b>Monetization Strategy Review and Adjustment Strategy in the focus countries and the wider EU</b>		
<b>Value-added Services</b>	<b>Project Month</b>	<b>Review &amp; Adjustment</b>
Plastic VIMpay Card	M11	Defined strategy (D7.1)
Prepaid Mobile Phone Top-Up	M11	Initial review & adjustment
Banking Valet (previously Banking Bro)	M13	Final review & adjustment
VIMpay Connect		

The exploitable components in the focus countries and the wider EU will resemble those previously defined in D7.1. The final levels of exploitation will also be dictated by the initial project results. This will warrant adjustment of the VIMpay focus country and EU forecasts as illustrated below:

<b>Exploitable Component in the focus countries and the wider EU</b>	<b>Forecast (as presented in D7.1)</b>	<b>Initial project results dependency</b>
<b>Upgrade 1 (Plus VIMpay)*</b>	34% of all active VIMpay users will make the first upgrade	Yes
<b>Upgrade 2 (Premium VIMpay)*</b>	1% of all VIMpay Plus users will make the second upgrade	Yes
<b>Plastic VIMpay card</b>	12% of all VIMpay Plus users will order a VIMpay plastic card	Yes
<b>Prepaid Mobile Phone Top-up</b>	27 % of all VIMpay active Austrian users will top-up their phone in the first year  49 % of all VIMpay active Belgian users will top-up their phone in the first year  38 % of all VIMpay active Dutch users will top-up their phone in the first year  41 % of all VIMpay active Luxembourg users will top-up their phone in the first year  (An average of 59 % for the wider EU)	Yes
<b>Value-Added Services (VIMpay Valet, VIMpay Connect)</b>	Free Customer Loyalty offer	No

*\*Focus country and EU citizens will directly be able to use the VIMpay Premium, after completing the Full VIMpay KYC check (which is the only available KYC check for the focus countries and the wider EU*

## 3 Sustainability

The path to viable sustainability is heavily dependent on funding and the performance of VIMpay. The projected high performance in Germany and the EU as a whole coupled with uninterrupted funding should be ideal for a successful VIMpay.

### 3.1 Approaches to sustainability

#### Continuation of critical VIMpay software infrastructure

The VIMpay software was written with reliability, adaptability, maintainability in mind. It maintains Agile as a development paradigm.

The continuation of critical VIMpay software infrastructure is made possible by the fact that:

1. petaFuel has enough technical skilled personnel to perform software maintenance. Three departments have been combined into a new VIMpay centric development department (three development departments previously responsible for banking solutions, e-Money processing and mobile applications development)
2. The existing agile and high quality development processes will be applied to the VIMpay development as well, meaning that there will be SCRUM-based development with integrated code review in 2 week sprints.
3. There is a dedicated VIMpay project management and that steers in cooperation with the business management.

### 3.2 Path to sustainability

#### 3.2.1 Funding and resource allocation

As detailed in the VIMpay business plan, it is imperative that the planned VIMpay investment from petaFuel be maintained to sustain continued growth.

petaFuel will reinvest its total business profit from financial years 2015 and 2016 in VIMpay, in total 400,000 €, and its first revenues from the VIMpay business to compensate for any funding gap. petaFuel has already invested 100,000€ in the project in 2014 for the VIMpay Phase 1 preparation and an additional 75,000 € in advance for direct Personnel efforts to ensure that VIMpay versions are achieved within a realistic timeframe. In aggregate, petaFuel's actual and planned supplemental investment in the VIMpay project of around 575,000€ will cover any funding gaps to allow sustainable growth.

This translates to added resources dedicated to the VIMpay project. In 2015/2016 14 additional employees will work on the development of VIMpay. Based on the expected success of VIMpay and the additional resources and efforts required to support VIMpay (including a new language support initially in the Benelux countries - excluding the DACH region) petaFuel will further expand and create employment for an additional 40 people in all departments including Application

Development, Marketing, Helpdesk and Support. Local helpdesk services that cater for local languages in the respective European countries have been planned.

### 3.2.2 Performance

An effective and dynamic cooperation with VIMpay stakeholders and other partners will lead to:

- i) Increased value-added services in VIMpay
- ii) Increased VIMpay user acceptance

Effective and uninterrupted upgrade schedules will help maintain the VIMpay momentum towards implementation in the wider EU. The VIMpay upgrade planning schedules will help push sentiment by generating user interest which can then be translated and harvested for VIMpay Marketing purposes. The overall technical and commercial performance of VIMpay is dependent on ensuring that VIMpay functions as advertised. All cooperation efforts will be geared towards increasing VIMpay usability, acceptance and generating a positive user sentiment. Value-added services (planned and unplanned), both from petaFuel and the cooperating partners will be used to guarantee market competitiveness.

We will be monitoring the following Key Performance Indicators in a bid to make sure that VIMpay's functionality standards and performance are maintained for Germany and are effectively transferable to the wider EU:

1. Adoption rate
2. Conversion rates (from standard to plus, to premium)
3. Engagement rate
4. Penetration rate (Standard, Plus, Premium customers)
5. Average revenue per customer (ARPS)
6. Customer lifetime vales (CLV)

## 4 Additional markets and benefits

With the „VIMpay connect“concept, we will facilitate smooth internet shopping for the VIMpay users. Additionally, VIMpay will enter the market for online traders and merchants.

### VIMpay Connect

The VIMpay Connect module will be designed so that the user can individually select their favorite online stores or the most visited online stores in order to reduce the amount of time it takes to shop in a safe and secure manner.

This will be accomplished by integrating VIMpay as a primary payment option for their favorite online retailers, so that they do not need to enter your payment details every time when shopping. With the already established a payment infrastructure connected to MasterCard, corresponding business processes will be developed, expanded and integrated to accommodate VIMpay Connect.

VIMpay Connect will primarily streamline the VIMpay user shopping experience and optimize how the user interacts with secure online stores through the use of a single secure "Sign-On."

As illustrated under sections 2.1 (Exploitation in Germany) and section 2.2 (Exploitation in the Focus Countries) the VIMpay Connect objectives are:

- 1 Making the VIMpay Card the primary payment method for users
- 2 Partnering with online stores by allowing individualization

Further evaluation of VIMpay connect will be done during the execution of the communication plan in Work Package 9.

## 5 Conclusion

The path and approach to a viable and sustainable growth for VIMpay is dependent on the successful exploitation of the initial project results.

Continuation of all software infrastructure and partnerships is critical to ensure a smooth entry into the EU market. The Key performance metrics outlined in *D7.1 - First enhanced exploitation and pricing plan* of Work Package 7 will be closely monitored to ensure timely and effective adjustments are made to the commercial exploitation strategy.

All commercialization exploitation efforts will seek to harmonize technological adjustments with VIMpay business needs and VIMpay competitiveness in order to sustain the level of growth projected. The exploitation plan for Germany will be used as the blueprint for further exploitation in the focus countries and the EU. In order to sustain the exploitation, technical / software maintenance and enhancements will be undertaken while enrolling partnerships to maintain market competitiveness.