

Spaceship Voyager

Catching the Next Wave



This case is prepared solely for use in the **Australian Undergraduate Business Case Competition 2018**.

The Australian Undergraduate Business Case Competition is run jointly by QUT and the UNSW Business School.

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Views are those of the author(s) only, and do not necessarily reflect the views held by any other party, including Spaceship, QUT or the UNSW Business School.

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Company overview

About Spaceship

Launched in 2017, Spaceship is an Australian financial services company whose vision is to engage young people in actively building a strong and secure financial future. Spaceship uniquely leverages technology with the aim of removing friction, cost and complexity from the financial products it offers.

It has two key product lines:

- ▶ **Spaceship Super:** superannuation platform (Australian retirement savings regime)
- ▶ **Spaceship Voyager:** diversified portfolio funds (general savings)

Spaceship has received significant financial backing from some of the world's most renowned venture capitalists including Horizons Ventures, AirTree Ventures, Valar Ventures, Sequoia Capital and New Enterprise Associates.

Launched in January 2017 as its flagship product, Spaceship Super now has over A\$227.5m in assets under management ('AUM') (as at 30-Sep-2018).

About Spaceship Voyager

Spaceship's new Voyager product, released in April 2018, aims to help make investing in a diversified portfolio simple, convenient and affordable and is brought together in one beautifully designed app.

With Voyager, customers can choose to invest in the Spaceship Index Portfolio, a low-cost market index fund, or the Spaceship Universe Portfolio, which is a portfolio of eligible securities carefully selected by Spaceship's investment team. Voyager has no minimum investment, no brokerage costs and is free for balances below \$5,000. For balances above that, Voyager has total fees of between 0.05% to 0.10% per year.

Spaceship Voyager has over 25,000 members with over A\$19.4m in AUM (as at 30-Sep-18) and is growing at over 300 members per day.

Introducing, Spaceship Voyager

Invest your weekly savings
with our portfolios in your pocket.



Looking for Spaceship Super? >



Key features of Spaceship Voyager

No manual needed

There are four key highlights of the Spaceship Voyager app:



Simple to get started

It is easy to become an investor with Spaceship Voyager's simple, easy to use app. There is no minimum investment required.

Curated news

Spaceship's in-house content team delivers curated news and media content about companies in user's portfolios.

In-depth company information

Users can easily get to know the companies in the fund, including succinct descriptions of what the companies do, why Spaceship likes them and key investment risks.

Easy diversification

Users can gain exposure to at least 100 companies with a single investment, providing diversity of sector, geography, market cap and allocation.

Pick a portfolio

As of 30-Sep-18, Spaceship Voyager offers two portfolios:

- ▶ **Spaceship Index Portfolio:** Diversification is the cornerstone of many great investment portfolios, and it's what the Spaceship Index is built around. With 200 of the largest Australian and global companies, users' portfolios will see them invested in a who's who of household brands.
- ▶ **Spaceship Universe Portfolio:** At Spaceship, we believe in investing where the world is going, not where it's been. Our investment team has handpicked 100 companies we believe are less likely to be disrupted, and our Universe portfolio lets users invest in them.

Both portfolios are seamlessly available through the app, and users may hold balances in both simultaneously.

Low fees

Spaceship Voyager offers users a very low fee structure. For balances up to A\$5,000, there are no fees. For balances above A\$5,000, there is a 0.05% annual fee for the Index Portfolio and 0.10% for the Universe Portfolio.

There are no brokerage fees, buy-sell spreads or entry/exit fees associated with Spaceship Voyager.

The Challenge

Catching the Next Wave

The Spaceship Growth Team is interested in finding new tactics to accelerate Spaceship Voyager's user traction.

The Spaceship Team would like teams to address one of two problems:

- ▶ **Develop an “out of product experience”** to help drive more customers to Spaceship Voyager
 - ▶ A key challenge is always to find unique, engaging methods of generating traction (outside of typical marketing mechanisms e.g. digital ads, referrals)
 - ▶ “Out of product experience” refers to a growth tactic/initiative outside of the core product that drives users towards the core product (e.g. a separate widget/service that drives users towards Spaceship Voyager)
 - ▶ Some examples of out of product experiences are given in later pages

- ▶ **Develop a new product feature** that would increase user engagement with the Spaceship Voyager app
 - ▶ A key challenge is how Spaceship can keep users engaged even after they have setup their investments
 - ▶ Increasing user engagement means to increase how regularly users check the app, and how much total time users spend on the app
 - ▶ The focus should **not** be on growing the number of users or increasing the amount of funds deposited by users.
 - ▶ Spaceship is not interested in optimisations of existing mechanisms (e.g. phone notifications), but is interested in **new** features

Key constraints

The Spaceship Growth Team has identified the following constraints (applies to both out of product experiences and new product features):

- ▶ Ideas should be feasible to deliver **within 60 days**
- ▶ There is no strict budget, but you should consider the ROI of any investment (e.g. customer acquisition cost)
- ▶ Ideas must be conscious of financial services regulations
 - ▶ In particular, promoters of financial products in Australia are subject to legal obligations not to make false or misleading statements, or engage in misleading or deceptive conduct.
 - ▶ **Ideas should steer well-clear of any regulatory risk. One example would be robo-advisors**



Spaceship
130,000+ downloads

Spaceship Voyager

Investing made easy



- ✓ Sign up in 2 mins
- ✓ Start with just \$5
- ✓ Free under \$5,000

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[!\[\]\(e6a08f80b4b76a13827c1508e6b66bec_img.jpg\) GET IT ON Google Play](#)

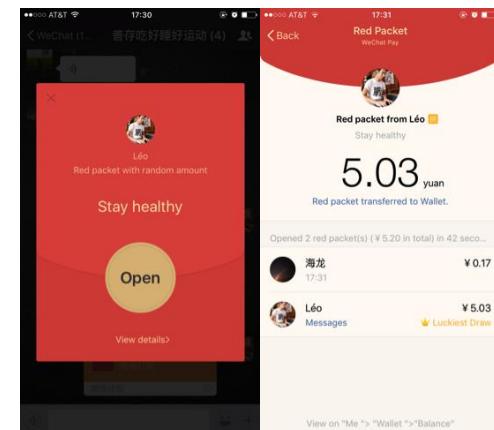
Issued by Spaceship Capital Limited. Decide if Spaceship Voyager's right for you by reading the PDS at spaceshipinvest.com.au. General advice only. No minimum investment amount applies. Past performance is provided for information purposes only and is not a reliable indicator of future performance.

Examples of “out of product experience”

Case Study 1: WeChat Lucky Money/Red Envelopes

To celebrate the 2014 Lunar New Year, WeChat launched a red envelope service which allowed users to send digital red envelope gifts to friends and family. Sending red envelopes with cash gifts on Lunar New Year is a longstanding Chinese tradition and is an act of blessing and good fortune.

WeChat added gamified elements to their red envelope service, including the ability to send money to large groups randomly allocated on a lottery basis (e.g. sent to 10 people, first five people who click “open” receive a random % of funds). These features were hugely successful at increasing engagement (e.g. users would race to be the first to collect the red pockets).



The growth of WeChat Red Envelopes has been rapid, with 688 million people using the service on Chinese New Year (Feb 15 2018). Outside of Chinese New Year, over 60 million WeChat users use the service each day (2016). The service has been a key funnel directing users towards WeChat’s banking/payments platform, as well as being a mechanism to promote the use of group chats by WeChat users.^{1,2,3}

Case Study 2: Snappr Photo Analyzer

Snappr is a San Francisco based company (founded in Sydney, Australia) that offers on-demand photography booking services.

One out of product experience service they offer is the “Photo Analyzer” which uses research, image recognition and machine learning technologies to help determine how well your LinkedIn photo will perform. Snappr has used their rich dataset to publish statistics and reports.

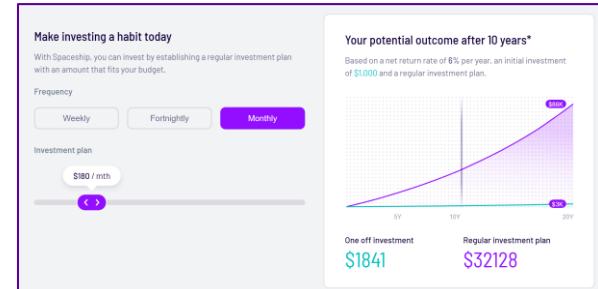
The Photo Analyzer ultimately serves as a funnel that directs users towards the core Snappr service.⁴



Examples of current Spaceship Voyager “out of product experience” initiatives

Spaceship Calculator (on Spaceship Invest website)

An interactive calculator that allows potential users to quickly observe the power of long-term investing. The calculator allows users to modify the frequency, investment plan and timeframe on the calculator to immediately see their future potential outcomes.



Spaceship Learn

Spaceship runs a regularly-updated blog and newsletter service that aims to educate and improve the financial literacy of potential and existing users. Topics covered include customer interviews (“Real Money Talk”), personal finance and technology.

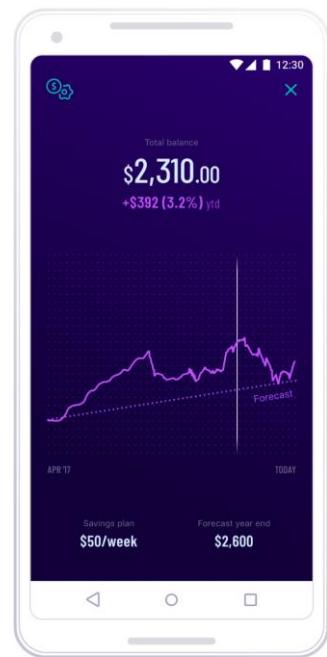
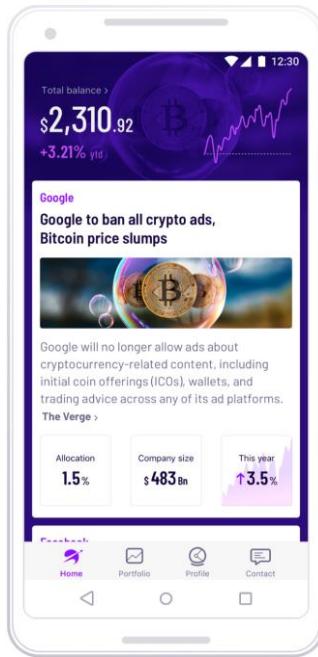
Sources: [1] WeChat Blog (<https://blog.wechat.com/2016/01/27/we-chat-about-wechat-5-red-packets-wechats-secret-weapon-in-payments/>); [2]

TechNode (<https://technode.com/2018/02/18/wechat-hongbao-2018/>); [3] Andreeson Horowitz (<https://a16z.com/2016/07/24/money-as-message/>);

[4] Snappr (<https://www.snappr.co/photo-analyzer/>)

Current state of Spaceship Voyager app

Methods used by Spaceship Voyager to keep users engaged



Relevant curated news and content

A key way Spaceship Voyager keeps users engaged is by providing regular curated news, media content and updates on topics relevant to them and their portfolios.

Individual company performance and data

Whilst Spaceship Voyager provides diversified fund products, the app allows users to track the live performance of every individual company in the portfolio, helping users stay engaged with their portfolio.

Easy adjustments and forecasting

It is easy for users to adjust how much they are investing into their portfolio. Additionally, the app provides forecasts of future investment positions.

Notifications

Spaceship ties notifications into many of their features (e.g. when new content is available, updates on portfolio performance).

Referral program

The referral program offers users a \$20 investment bonus in the form of units in Spaceship Voyager if the user refers a friend who invests at least \$5.

This referral program also offered a “doubled referrals” promotion, increasing the investment bonus to \$40.

A “Refer & Earn” badge on the app communicates this offer to users.



Refer & Earn

Share this link with a friend & you and your friend could be eligible for \$20 worth of bonus units under our [Referral Program](#) (you'll need to read and accept the terms to participate).

MLINJN3

Share

Appendix: Additional Notes

Target consumer market

Spaceship regards younger Australians (20s to 40s) as its key demographic market, although the Spaceship team is always developing new customer segments.

Similar products/potential competition

Raiz

Raiz (<https://raizinvest.com.au/>) is another Australian fintech company, and is one of the closer comparisons to Spaceship's Voyager service.

Raiz allows Australians to invest the change from daily purchases into investment portfolios constructed by Raiz. Users can also set recurring investments or one-off lump payments.¹



Stake Shares

Stake Shares (<https://stake.com.au/>) is an Australian fintech company that allows Australian investors to access overseas shares and ETFs at \$0 brokerage. It also offers innovative features like the ability to purchase partial shares using exact dollar amounts (e.g. you can invest in 4.712 Facebook shares).



Unlike Spaceship Voyager, Stake does not manage a portfolio product itself (but gives access to overseas ETFs).²

Traditional Exchange-Traded-Funds (ETFs)

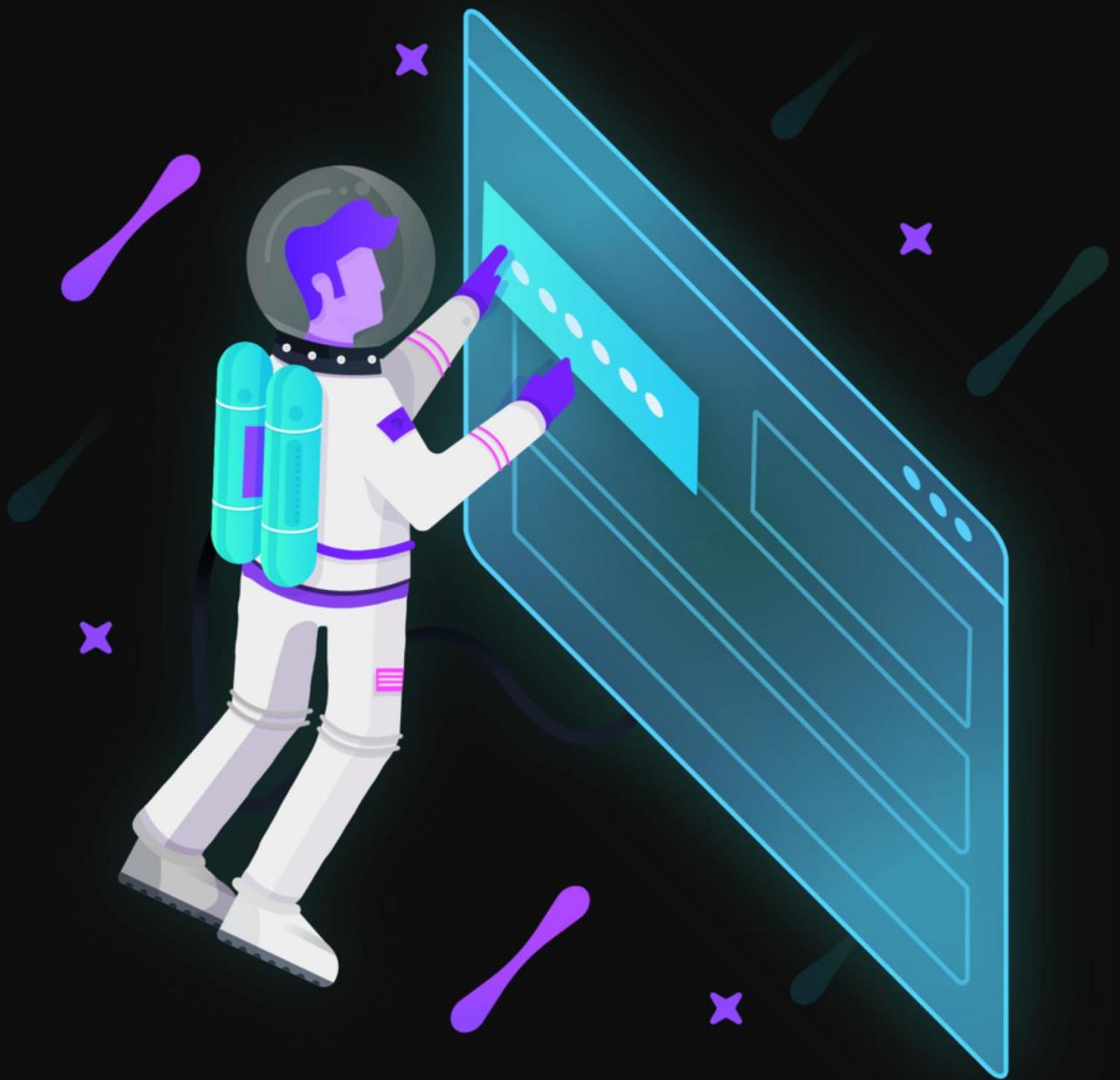
Exchange-Traded-Funds ('ETFs') are investment funds that can be bought and sold on stock markets. They allow investors (including individual investors) access diversified portfolios cheaply and easily.

For example, individual investors could purchase an ASX200 ETF (top 200 public Australian companies) or an S&P500 ETF (top 500 stocks listed on the NYSE or NASDAQ).

Accessing ETFs is the same as accessing individual shares. Individual investors must find a brokerage platform that has access to the ETF.^{3,4}

BlackRock®





Further information

- ▶ [Spaceship Voyager Website](#)
- ▶ [Spaceship Website](#)
- ▶ [Australian Stock Exchange 2017 Investor Study](#)



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COMPETITION