



USave

The Great Transition

December 2017

Group 7

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1. INTRODUCTION

This report is about our project USave. We will first identify one of today's biggest problems, environmental degradation and global warming. We then illustrate how our USave system works, dealing with both users and business. Next we will move to our marketing plan and business model, including a SWOT analysis, followed by a conclusion.

- **CONTEXT: THE PROBLEM**

Global warming is regarded as one of the most serious environmental problems, and many researchers are trying to find solutions to reduce the CO₂ emission to atmosphere. (Wang and Lin, 2016) Since preindustrial times, transport has contributed 15% and 31% of the total man-made CO₂ and O₃ forcing, respectively. A forward-looking perspective shows that transportation accounts for 16% of the integrated net forcing over 100 years from all current man-made emissions. The dominating contributor to positive forcing (warming) is CO₂, followed by tropospheric O₃. By subsector, road transport is the largest contributor to warming.

Nowadays, as environmental degradation and global warming have gradually threatened survivals of human beings, there are more and more people start taking conscious of CO₂ emissions. Some companies holding advanced business models, as well as environmental friendly concepts, for example, the businesses in sharing economy, have been popular among the public and made great success. Following the trends of business, an idea of creating a platform to encourage more people to better use the idle resources and save energy by applying reward system comes out.

2. USave SYSTEM

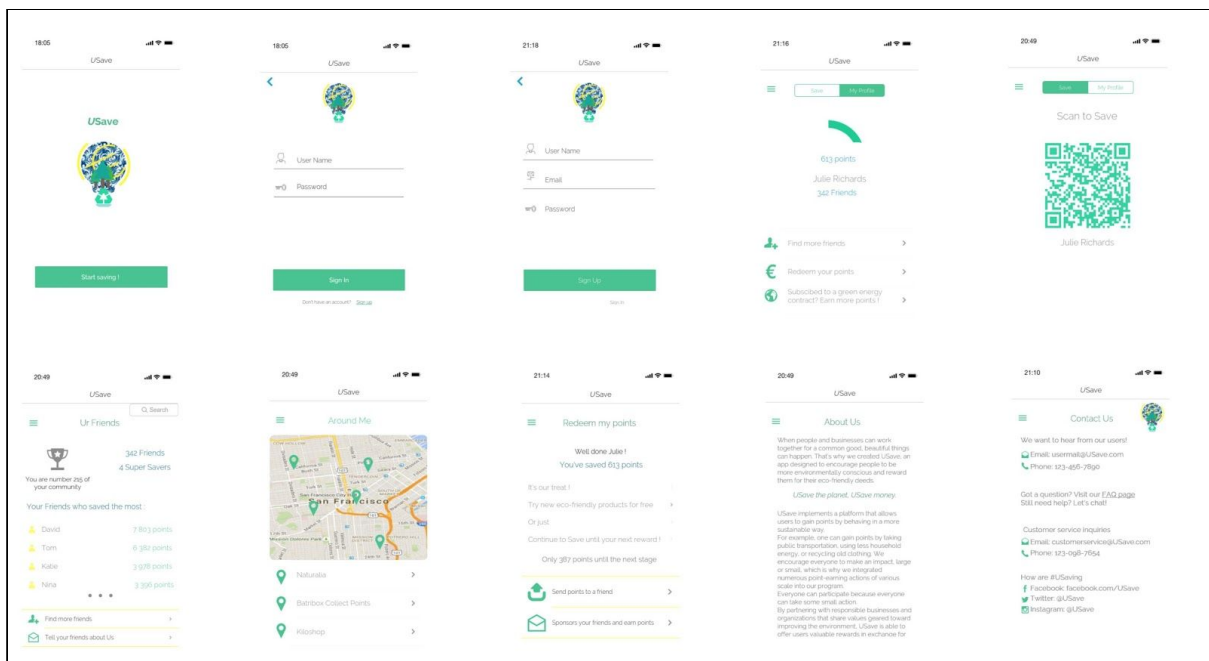
- WHAT IS USave?

USave is our solution to the environment crisis using the advantages of technology and sharing economy. It implements a platform that benefits both users and business. Users gain points by behaving in a more sustainable way, points can then be used to gain bonus for future transactions and more. Business can build a more positive image and reach a bigger customer base.

We believe when people and business can work together for a common good, beautiful things can happen. Everyone can participate because everyone can take some small actions. We're looking towards a future where everyone makes small differences, and together, a big impact.

We want to empower people to do better for the environment, have fun doing it, and support each other in doing so. USave, we all win.

USave the planet, USave money.



● USaving - EARNING POINTS USING THE SERVICE

We organized the system of point obtention around three sectors: “3 Rs” (reuse, repair, recycle), energy and transportation. For each transaction with a partner company, a certain number of points is given to the user, based on the value of the transaction. Points are awarded to users by partner companies via three media (partner companies are given a choice and can pick whichever of the three they would rather use based on the nature of the service they sell/their structure...):

a **software** that can be coupled with their own gestion software (mostly for energy companies) and that automatically award the right number of points for eligible transactions.

a **scanner of professionals** that reads the QR code of user app and transfers the right number of points to them.

a **physical terminal** transferring points to the user cards (see appendix) via an electronic chip.

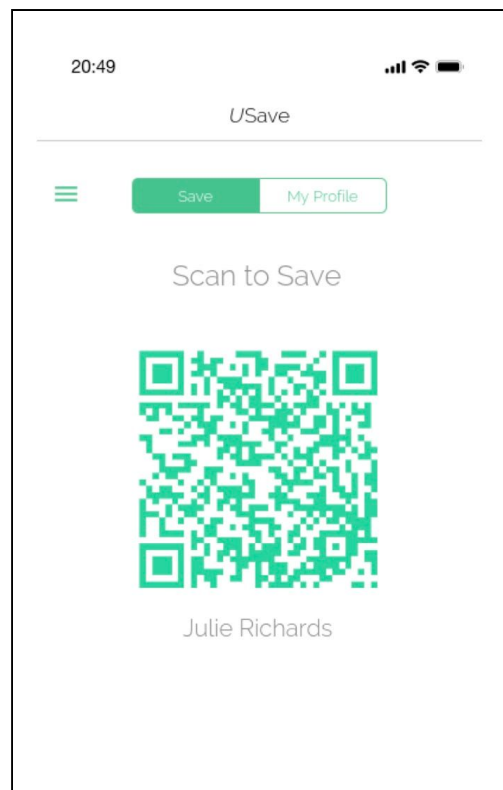
a. REUSE, REPAIR, RECYCLE

Reuse

Thrift Stores: this point-earning method will rely on partnerships with big thrift shop brands/shops including Euro-Fripe, Kiloshop, Kilotime, Vintage Standards, etc. Users will earn points either by bringing their clothes or buying some.

Co-recyclage: [Co-recyclage](#) is an online platform for users to post ads to give/donate used items to other users or post ads to request a used item from another user. Users will earn point when exchanging used items

Beverage Containers: Much like how Starbucks rewards customers by bringing in reusable drink cups/mugs with a .10 cent discount, we will offer USave users a reward with partners like Maison



Pradier and other local coffee shops. Users will earn points for bringing their own mugs and drink receptacles.

Repair

Electronic Repair: Partnering with [Envie](#) allows us to tackle multiple social issues at once. Envie employs those who are “far from employment” to repair household electronics so that they can be resold at a lower price for those living through lower socioeconomic conditions.

Users will earn points when they donate their appliances for repair rather than throwing them away, but also when they attend repair workshops.

Recycle

Composting: Partnership with Paris Mairie in its mission of installing composters. Users will earn points when they go through the procedure of installing composters in their house or their building.

Battery Recycle: By partnering with Franprix (Batribox collect points) we can ensure sustainable battery recycling. Users will earn points when they bring their used batteries to the collect points for them to be recycled

b. ENERGY

Observations

Regarding the energy sector, we started out from several observations.

One observation was that even if more and more energy distributors offer 100% renewable energy program, still too many people are dependent on fossil energy. To encourage energy transition, we have to reduce the demand for fossil energy, and to increase the demand for renewable energy. Influencing the renewable energy demand is one of the USave’s goals. The energy sector was a monopolistic sector until 2007. EDF (Electricity of France) was then the state enterprise controlling this sector. Since this monopole ended, only 10% of the consumers changed from EDF to another energy distributor (Direct Energie, Poweo, Enercoop). This can be explained by the fact that many people don’t even know they exist. Those new distributors built their strategies on greener offers and we want to increase their market awareness.

Moreover, we noted that everyone at their individual level has the means to take part in

this change and to support energy transition. Another goal is to individually encourage the production of clean energy.

Energy and Earning Points

For the energy sector, we have the means to not only encourage people to use renewable energy, but also to produce it. That's the purpose of the following actions:

To encourage the use of renewable energy, we will give points for subscribing to a "100 % renewable energy program" like Offre Verte by Direct Energie, Poweo Flx by Poweo or even Enercoop.

To go even further and encourage the individual production of clean energy, users who install solar panels or wind turbines will earn points. Solar panel (photovoltaic or thermic) can be purchased from EDF while wind turbines from Engie.

c. TRANSPORTS

Observations

Concerning the transportation sector, our team managed to focus on 3 major levers to catch information about our clients and to define the way they can earn points in our system: the sharing of the electric mobility, the selling of electric cars, and the political support of the electric mobility.

Autolib: It is mainly based on the electric car pooling system which is in place in Paris. Autolib is a public and private partnership agreement which aims to develop the electric mobility in Paris. There is already a fidelity program named the "Club Autolib" and it works like this: for each rental of an Electric Vehicle (EV), we win points and when we reach 12 rents per month, we get 30 minutes free. If we reach 24 rents, we get 1 hour free etc.

Electric car owners: we want to give more benefits to owners who use the more sustainable electric car option. This idea is well known and already used by some major players. For example, until very recently, Tesla car owners could charge their vehicles for free in public superchargers in the US. At the end of September 2016, France has 15,000 public super charging points in 5,000 stations, compared with 10,000 a year earlier (+ 50%). The government will release 10 million euros under the investment program for the future to meet the target of 100,000 public charging stations by 2020. The French

government will also help the private sector by financing the installation of more than 12,000 private charging points by the end of 2018. The maximum total amount allocated by the government for this financing is 15 million euros.

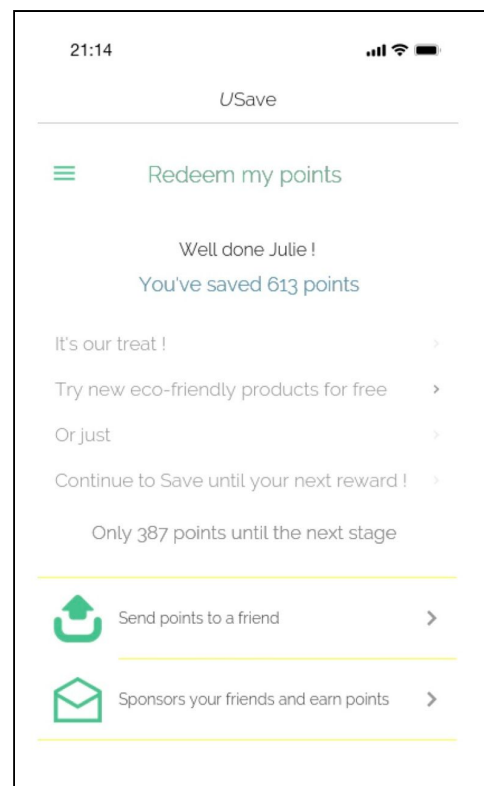
Transportation and Earning Points

Autolib: We will promote our system to autolib users. To do that, we will partner with autolib management for them to inform their clients about us, or negotiate with them to share their database with us so we can communicate directly with Autolib clients, presenting them our service and the potential benefits for them. Autolib users will then get points in our application for each car rental, the same system as the already existing one in the “Club Autolib”.

Electric car owners: We suggest that electric car owners who use public superchargers will get more points in our system than those who use private superchargers at home because it is more environmentally friendly. To use a super public charger, you must subscribe to an authorized company (ex Belib, Tesla...). We can contact those companies to catch their client database or maybe we can act more directly : for example, we can put a poster on each public supercharger presenting our system and say that customers are eligible to it. People will then subscribe by themselves.

● REWARDS

Rewards will be distributed via the USafe app based on a user’s number of points earned. Users will have the option to pick from a selection of rewards that fall within a certain point amount level (refer to the chart). By giving the user the option to choose how they spend their points and what rewards they obtain, we remain competitive in providing proper incentive for usage. Our reward base will be heavily dependent on our partners and sponsors, so it is imperative that we also offer them competitive incentive to work with us (see Partnership and Sponsorship section).



100-499 points: Users can unlock Discounts for participating partners' establishments. For example we can give the choice between a 10% coupon to a vegan restaurant, 5% discount code for a city bike card, or a 10% off one product from a recyclable gifts shop.

500-999 points: Users can unlock samples of eco friendly products like all natural sample of lip balm, shampoo, or a new vegan snack bar

1,000-4,999 points: Users can unlock tickets to local events like a tickets to a speakers series event, a movie, or a farm-to-table food festival

5,000-9,999 points: User can unlock Higher value tickets to (choice of local or national [travel not included, only ticket]) events/experiences and an entry to win eco-tourism trip. User is given the choice of a free ticket worth up to \$60 Ex: a choice between tickets for a higher profile conference, speaker series, concert, or cultural event and is entered to win an ecotourism trip to Costa Rica for example.

10,000 and more: Users can unlock gifts cards to eco friendly partners and establishment and is entered to win the ecotourism trip. Users can choose between a \$100 gift card to REI, Patagonia, In2Green, Gaiam, public transport credit, farmers market cash credit, etc. and are entered to win an ecotourism trip to Africa.

● PARTNERSHIP AND SPONSORSHIP

The USave application will rely heavily on the support of sponsors and brand partners, so naturally, one would pose the question: What's in it for them?

Brand Awareness and Advertising: The USave app will provide an additional outlet for relevant consumers to see the brand in a positive space. Additionally, the USave app and other USave marketing mediums (ex: our emailing list) will provide partners with free advertising space in a space they know is being used/seen by their target consumers (environmentally conscious, green living consumers).

Data Sharing: USave users will have to agree to app data being shared with our partners prior to them becoming users. USave will be able to share app usage and user data with

partners so that they can leverage valuable data and make insights for their marketing efforts.

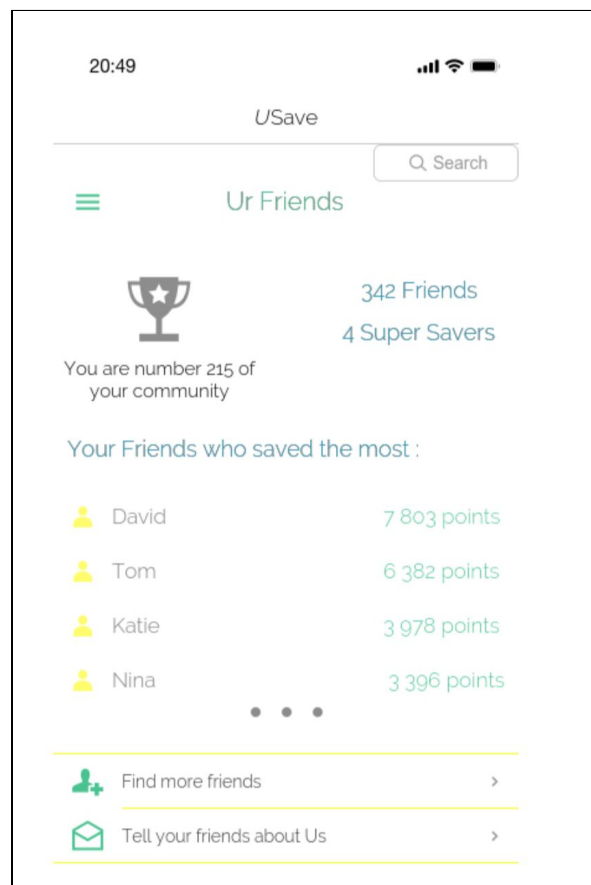
Socially Responsible Image: Consumers who see brands aligned with USave will have a positive association with the brand. Namely because they will recognize that partnering with USave means the partnering company supports a mission of more sustainable, green living.

Apart from the possible partners we've mentioned above, we also aim to establish partnerships with large companies. Here is a list of companies we will pursue for partnership/sponsorship: REI, National Geographic, Lindblad Expeditions, Patagonia, Gaiam, In2Green, Seventh Generation, Glowee, Stimergy, Green Festival, Burning Man, Sunpartner Technologies, Plume Labs, AndBeyond, EcoCompanion, Undiscovered Mountains, Intrepid Travel, Kind Traveler, Responsible Travel, Biocop, Naturalia, Bio C'est Bon, Velib, City Scoot

- **SOCIAL**

The USave app will be built on a community foundation. This social aspect is very important as a way to make our app known and to encourage more and more users to join our community. A community shares the same interests, and in our case, this is the wish to help the environment and be more eco-friendly.

We will leverage the app's users to increase adoption. Like Uber, each member can send a code to his friends to encourage them to register to our system and for each added friend, the original member gets points. He can also "give"/ transfer points (with a limit) to their friends to get them started and to give them an incentive to not only



download and register but to actually use the app.

The USave report will also encompass gamification by creating friendly competition between friends (think Fitbit and other exercise tracking apps). You will be able to see the number of points earned by your friends and challenge them with point wagers for earning more points in a designated time period. This gamification aspect of our app will increase the community feel and incentive to use the app, because it will enable you to interact with your friends and the competition makes it more fun.

We also foresee allowing companies to enter competitions, like “who can lead the most customers into eco-friendly lifestyle in one month?”

Turning our app into sort of a game will encourage usage. Moreover we want to go beyond the frontiers of our app and enable people to share their actions on other social networks (i.e. “I just earned 10 000 points on USave for subscribing to Offre Verte by Direct Energie”).

Having a social app would also enable us to identify users with a strong attachment to the app - our SuperSavers. This strong participative culture would allow them to become ambassadors, receive more points per sponsors, receive benefits and in return they will take significant part in the life of USave.

3.MARKETING & OPERATION

- **MARKETING PLAN: AWARENESS**

“USave the planet, USave money”

Our target are millennials, between 18 and 35 years old, especially those living in urban areas. Indeed, people from this age range are the most conscious about the environmental crisis and are the most agile with the Internet and applications. Also, the millennials tend to consume more responsibly, because they care about what businesses they patron, and want to make sure that the companies they give business to share similar values.

Apart from traditional OOH, our main platform of advertising would be social media. Indeed, our target is very connected and as an app, there is no better place to advertise than online. We could be featured on Facebook and on Instagram via sponsored posts and

on Snapchat through ad videos. Our videos would have two objectives: to raise awareness and increase app sign-ups. Moreover, we would intensely use our own social media to further our visibility and our proximity with our users. We could give information on ecological issues (i.e. How much pollution driving a car makes, what environmental crisis we are facing) but also daily hacking skills - always to save energy.

In order to get people to know us and to increase the proximity with our users, we will host a launch event. The main attraction of this event would be a contest to win an ecotourism experience for early adopters of USave. This contest could create some visibility as it would be accompanied with an hashtag: "ISaveToday", but would also be a partnership with a company (i.e. REI or AndBeyond).

We could invite environmental NGOs and hobby groups but also invite bloggers, influencers and community groups. These people, as our ambassadors, will stimulate discussions among the public and advertise USave for us.

● BUSINESS MODEL & BUDGET

At the beginning of this project, we don't aim at making profit, since a platform of service needing to attract users should be first and foremost free.

In terms of resources, the ten of us will each put in 15,000 euros as equity, amounting to 150,000 euros. 100,000 will be used to develop the platforms and other related service infrastructure. 50,000 will be used to carry out the marketing plan and to give bonus to those of us who achieve successful sponsorship negotiations. We will not have salary but dividend depending on the performance of the project. Besides, we are more than open to investors and possible loans if needed.

For this period, the cost we will have are largely in development and maintenance of the platforms and communication plus other minor expenses. To break even, we would arrange deals with our first partners: we provide free media space for advertising in our platforms (app. and future website), in exchange for 5% commission fees of every transaction through us.

We expect 10,000 users to join us during the marketing campaign (first 3 months after the launch), and keep growing 1,000 the following months of the first year. After the first year

when we reach a considerable user base of 19,000 and become more interesting for other brands, we will start to develop other advertising media on our platforms to attract more partnerships, and in turn this will generate more benefit and more users. We might want to increase the commission fees percentage to 8% for the partnerships during this period, since more users give us more bargaining power. This would contribute to a beneficial cycle, and we expect to gain profit at the end of the second year.

● SWOT ANALYSIS

Strengths

- An advanced rewarding system
- favorable relationship with government and environmental NGOs
- Social platform based, simplified service design

Weaknesses

- Reliance on the popularity of other businesses
- Ability to measure user stickness
- Limited variety of partnership during the beginning period
- Limited revenue resources

Threats

- Proper timing to enter the market
- Easy access of imitation
- Macro economic situation

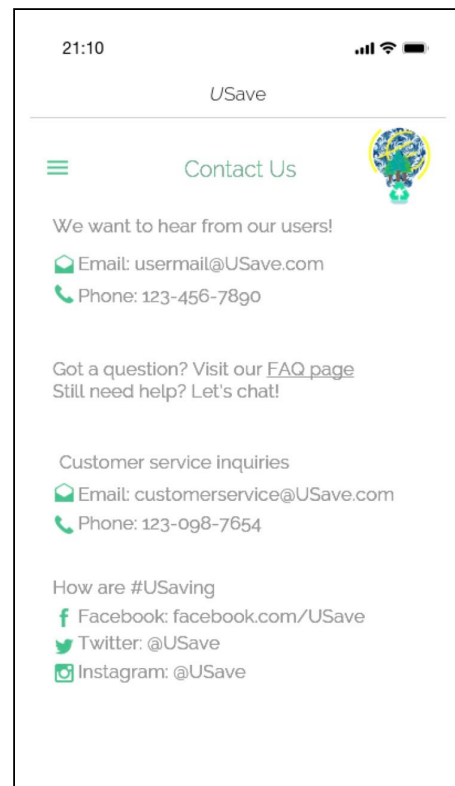
Opportunities

- More willingness to pay for CO2 off-set nowadays
- Popularity and profitability of sharing economy
- Few competition
- New market entrance

4. CONCLUSION

To conclude, we believe that this project is feasible and is able to make a positive impact in the world, in the sense that people will think about protecting the environment when consuming, and companies will also think about protecting the environment when operating. Both sharing economy and social network are reshaping the functioning of today's society, and USave will make the best of the trends and help build a better tomorrow.

Start saving with us!



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