

# Market istash to China





# MEET THE TEAM



**Jack  
Wilkie**



**Vee Dao**



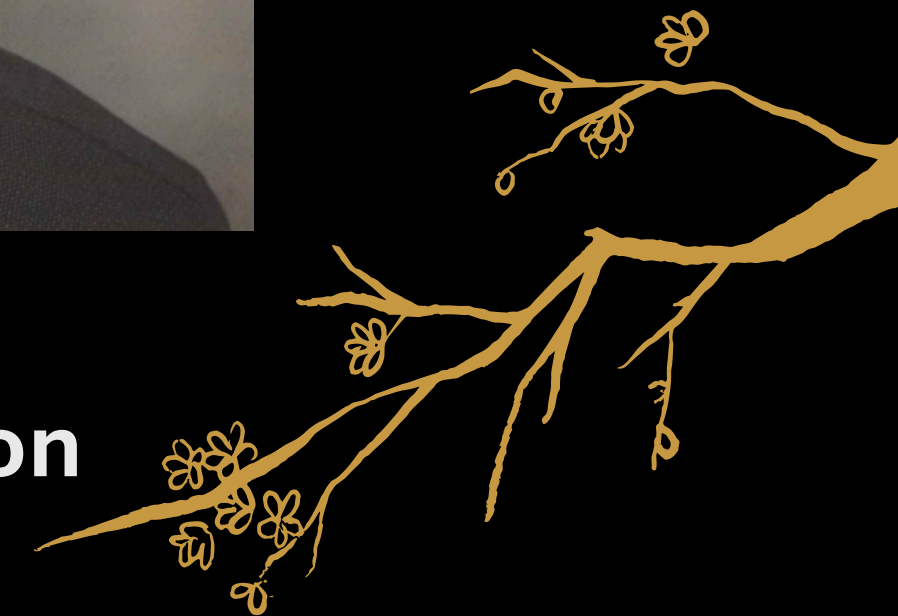
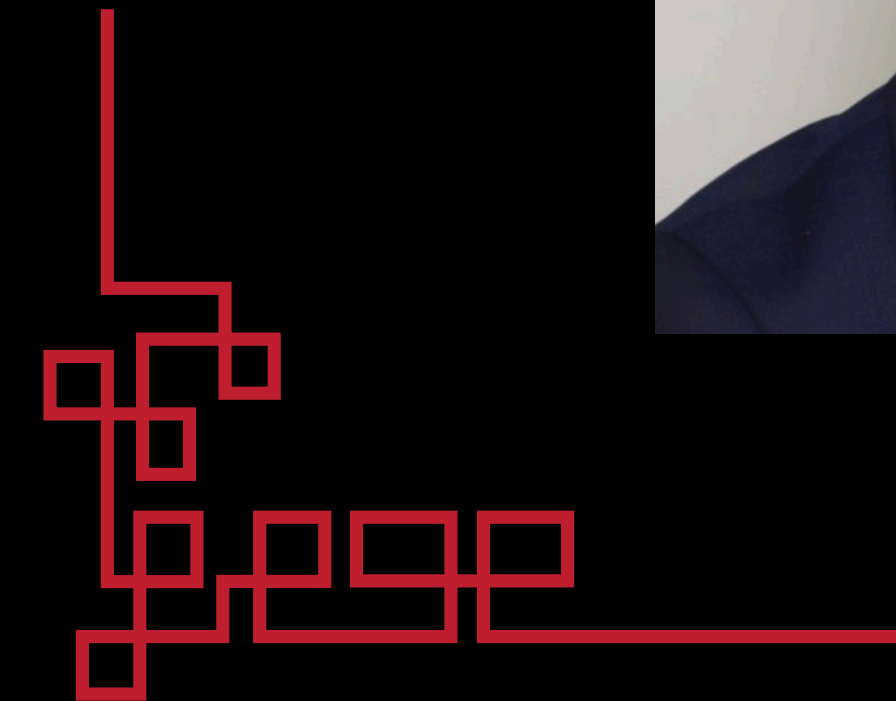
**Jenny  
Huynh**



**Zoya  
Haider**



**Andrew  
Richardson**







istash

# AGENDA

**01.** Overview

**02.** Industry and  
Competitive Analysis

**03.** Perceptual Map

**04.** CAGE & SWOT Analysis

**05.** PEST Analysis

**06.** Market Research /  
Jobs-To-Be-Done

**07.** Persona

**08.** Recommendations





## OBJECTIVE

- Evaluate the viability of launching istash in China's advanced digital wallet landscape and recommend a strategy for success.

## MARKET SUMMARY

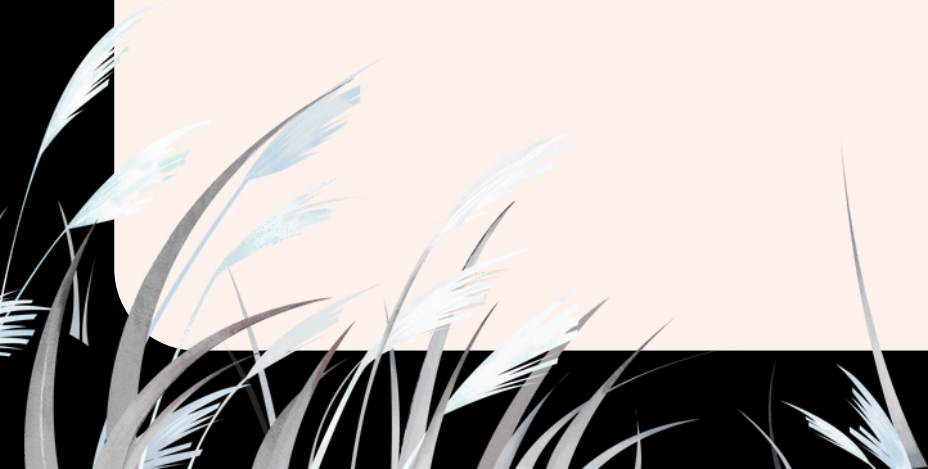
- China's digital wallet market is mature and mobile-first, led by Alipay and WeChat Pay.
- Over 80% of smartphone users transact digitally, expecting all-in-one platforms.

## KEY INSIGHTS FROM ANALYSIS

- High government involvement, a collective localized culture and the need for compliant solutions.
- Intense competitive rivalry and high buyer power, which threatens new entrants.
- istash currently lacks visibility and unique positioning in China.

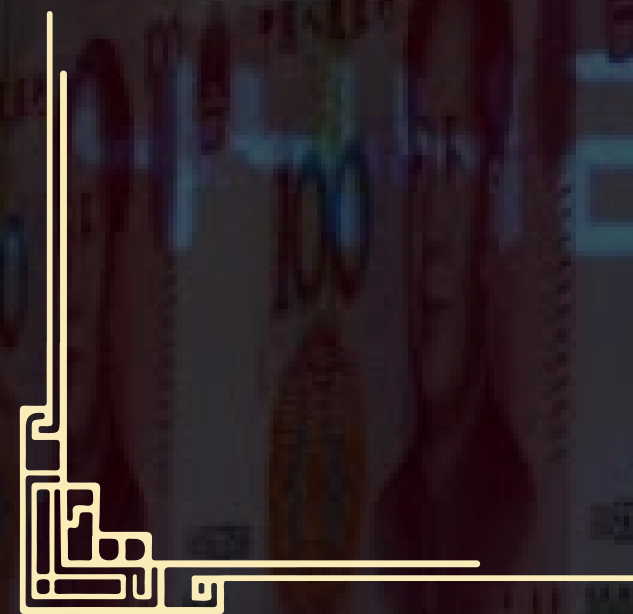
## CENTRAL CHALLENGE

**How can istash build relevance, trust, and differentiation in a highly saturated and nationalistic market?**





# INDUSTRY AND COMPETITIVE ANALYSIS





## THREAT OF NEW ENTRANTS



- Tough regulations (Many different licenses are required)
- Need local partners
- Data needs to be housed domestically

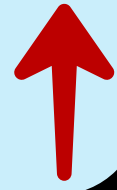


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## BARGAINING POWER OF BUYERS



- Chinese users have many choices (Alipay, WeChat Pay, etc.).
- They expect apps to offer rewards and do more than just payments.



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- The high number of substitutes makes substitution likely



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- Most of the “Big Fish” control most of the market and are backed by the Gov.



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## RIVALRY AMONG COMPETITORS



- Alipay and WeChat Pay control most of the market.
- New apps are still trying to compete by offering special features.
- istash must use their cash back as leverage to be perceived more unique



# KEY COMPETITORS

## ALIPAY

- Over 1 billion users
- Dominates offline/online retail and is integrated with everything from taxis to hospital payments.
- Strong trust and local brand equity.



## WECHAT PAY

- Embedded in WeChat, China's super app (1.3B users).
- Drives payments through messaging
- Social sharing, and mini-programs.



# COMPETITOR ADVANTAGES

- Chinese consumers heavily favor local businesses – high skepticism over foreign brands
- High Brand Familiarity, Loyalty, and Usage
- Government Alignment & Compliance
- Considered "super apps" with many services
- Built-in Social & Cultural Features

# OTHER PLAYERS



## UNIONPAY QUICKPASS:

- Popular among older demographics
- Low Market Share



## JD PAY :

- Not widely adopted

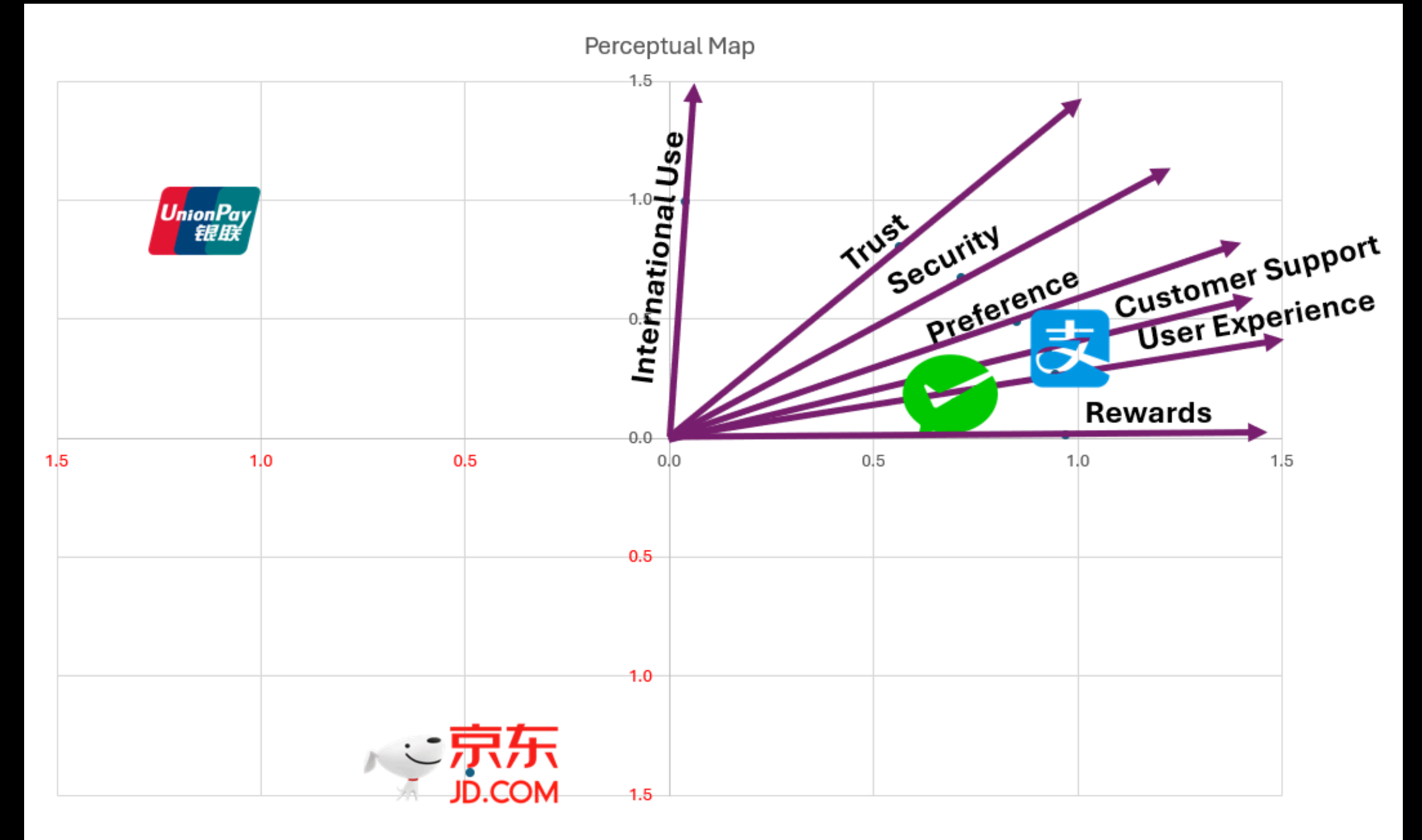
# PERCEPTUAL MAP






# PERCEPTUAL MAP

- Security, customer support, and user experience are most closely tied to preference.
- Trust, Rewards, and International use are all secondary factors.
- Alipay and WeChat Pay are the current brands of preference
- JD Pay and UnionPay are not preferred brands.





# PEST ANALYSIS



# POLITITCAL



- One-party CCP rule; strict control over data, tech, and finance
- 2025 laws tighten audits, data privacy, and data flows
- Strong censorship and weak IP protection



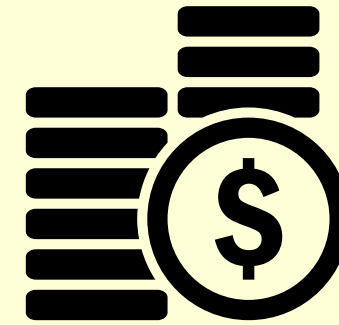


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# ECONOMIC



- Booming but tightly regulated economy
- QR payments dominate; low card fees; super apps shape consumer behavior
- Strong SME sector and rising foreign investment



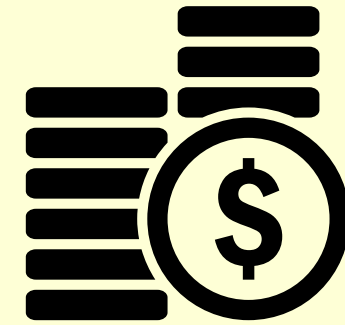


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- Large, aging, yet highly mobile and tech-savvy population
- Strong loyalty to domestic platforms
- High privacy expectations; demand for localized, seamless experiences



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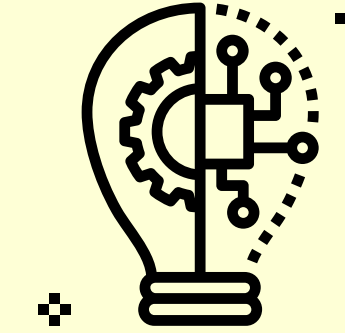
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## SOCIAL



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## TECHNOLOGICAL



- World leader in mobile, AI, and big data
- QR code payments are the norm
- Tech landscape shaped by heavy government oversight





SO IN SHORT...

China is **sleek and fast-moving**, demands **stricter localization and compliance**, which makes it **hard for a foreign firm**, especially fintech, to really come in.





# CAGE & SWOT ANALYSIS





## CULTURAL

- China values **collectivism**, group harmony, and long-term perseverance.
- **Hierarchical workplace structures**
- **Mandarin** is the dominant language nationwide.





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- **7,252 miles and 12–13 hour time gap** complicate real-time support.
- Increases costs for **travel, legal, and payment systems.**
- Fragmented payment market led by **Alipay and WeChat.**





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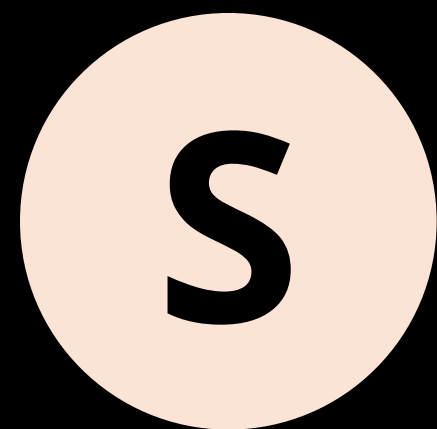
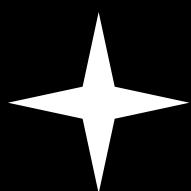
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## ECONOMIC

- **China GDP per capita: \$13,312**
    - Lower demand
  - Alipay & WeChat dominate **\$1.7T QR market (90% share)**
  - **Tariffs** hit 145%/125%, briefly cut to 30%/10% in May 2025.
- 

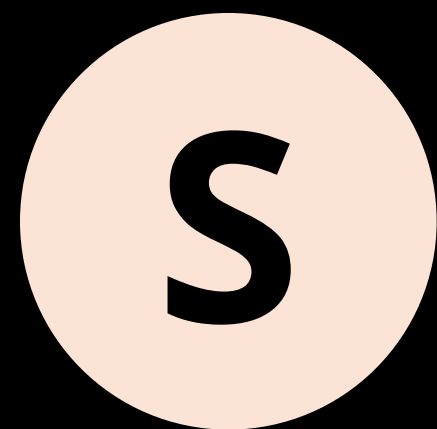
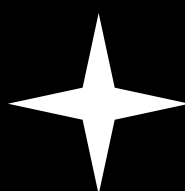


### Strength

- 3% cashback and low swipe fees
- Mobile-first, QR-integrated platform
- Scalable infrastructure







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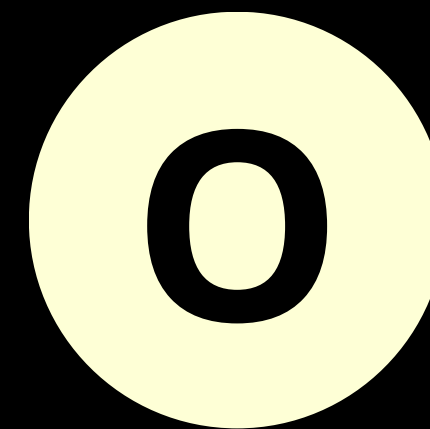
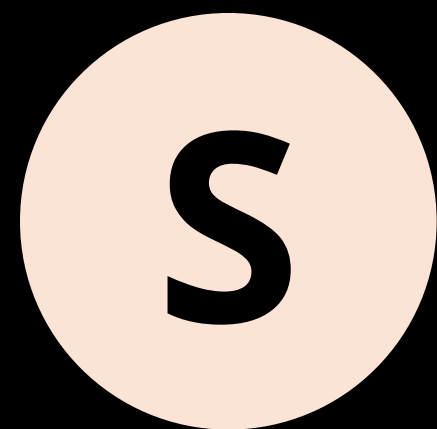
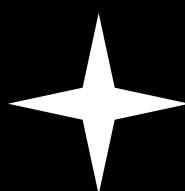
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### Weakness

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- No local partnerships
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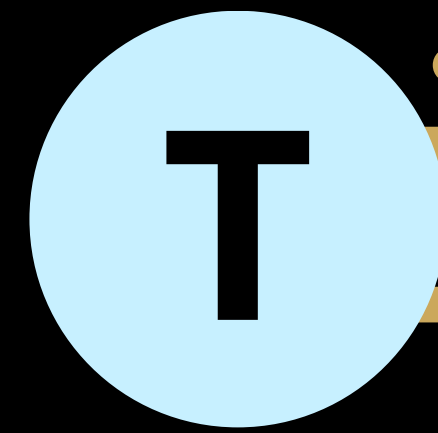
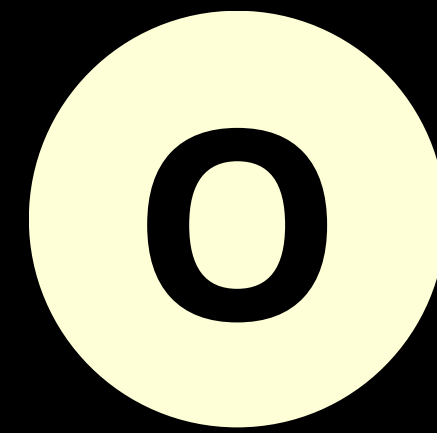
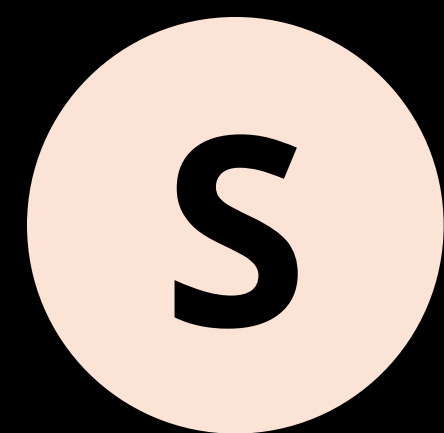
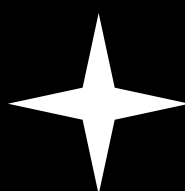
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### Opportunities

- 1.4B tech-savvy population
- Demand for QR-based, merchant-specific services
- API opportunities





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### Opportunities

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- API opportunities

### Threats

- Complex regulations
- Political tensions between US and China
- Dominance of Alipay and WeChat Pay
- IP risks.

The background of the image is a dark, blurred photograph. It shows a hand holding a pen, poised to write on a tablet or piece of paper. On the screen of the tablet, a line graph is visible, showing an upward trend. The overall color palette is dark blue and black, with a golden-yellow brushstroke element on the right side.

# **MARKET RESEARCH & JOBS-TO-BE-DONE**



# SYNTHETIC USERS

## WHAT ARE SYNTHETIC USERS?



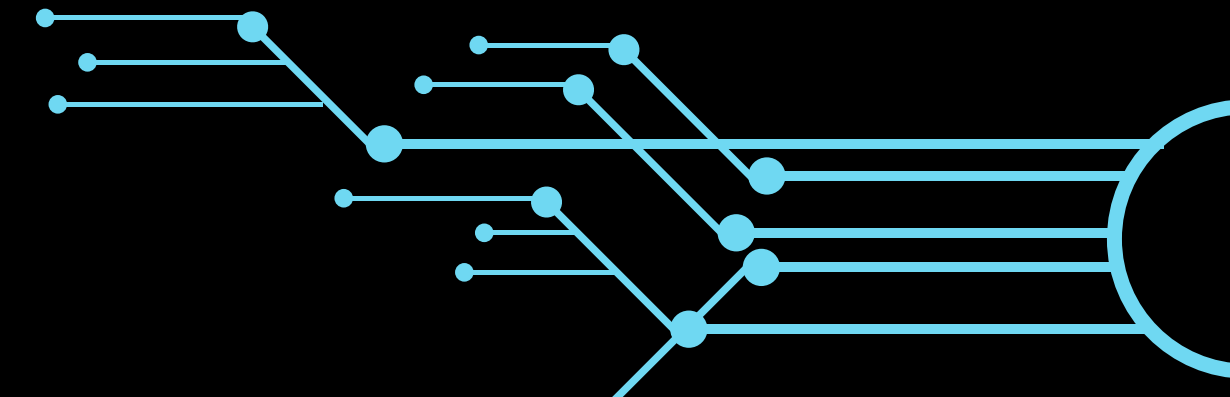
Synthetic users are AI-generated personas modeled on real-world demographic, psychographic, and behavioral traits.

## WHY WE USED THEM:

To understand the Chinese consumer mindset ahead of Istash's launch, our team conducted both qualitative and quantitative interviews with synthetic users.

## INSIGHTS

- User Behaviors
- Reward Preferences
- Payment Preferences
- JTBD



# **JOBS-TO-BE-DONE (JTBD)**

## **Functional**

*"I want to keep my money safe without carrying cash or cards everywhere."*

## **Emotional**

*"I need to feel like my money and personal info are safe when I use an app."*

## **Social**

*"I want my friends to see me as responsible."*



# ADOPTION BARRIERS

## Regulations

- Strict data security and personal information laws

## Strong competition

- Alipay and WeChat pay are very established and trusted competitors

## Lack of trust in Foreign bands

- There is a strong preference for platforms partnered with known Chinese companies

## Privacy concerns

- General skepticism toward how personal data is stored







# PERSONA



# PERSONA

## LIN WEI (林伟)

**Age:** 24

**Occupation:** Junior Marketing Associate (recent graduate)

**Location:** Beijing, China

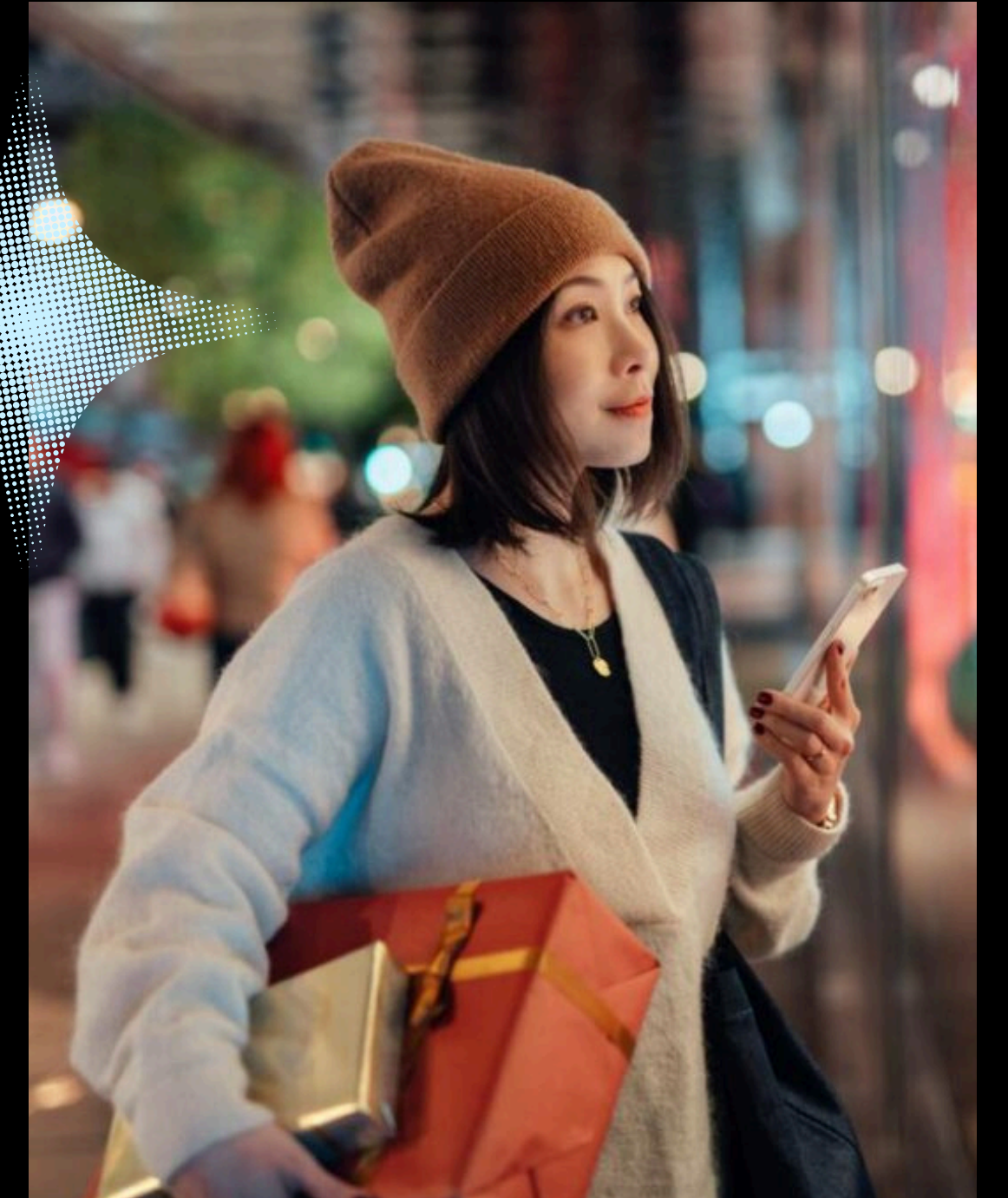
**Motivation:** Instant cashback, app simplicity


**Values:** Trust, control over spending, privacy

**Behavior:** Uses QR payments daily and avoids apps that seem insecure

“

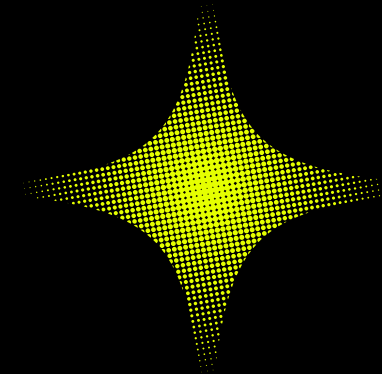
**Quote:** *“If I can't trust it with my money, nothing else matters.”* LW, F24 Syntheticusers





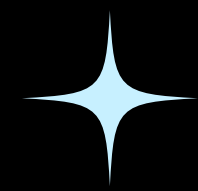
# RECOMMENDATIONS





# Recommendation 1

Positioning istash as trusted and culturally aligned with China







# "FAMILIAR, NOT FOREIGN" - POSITIONING STRATEGY

Position istash as a **trusted, culturally aligned digital wallet** for China by minimizing its foreign roots and reinforcing familiarity.

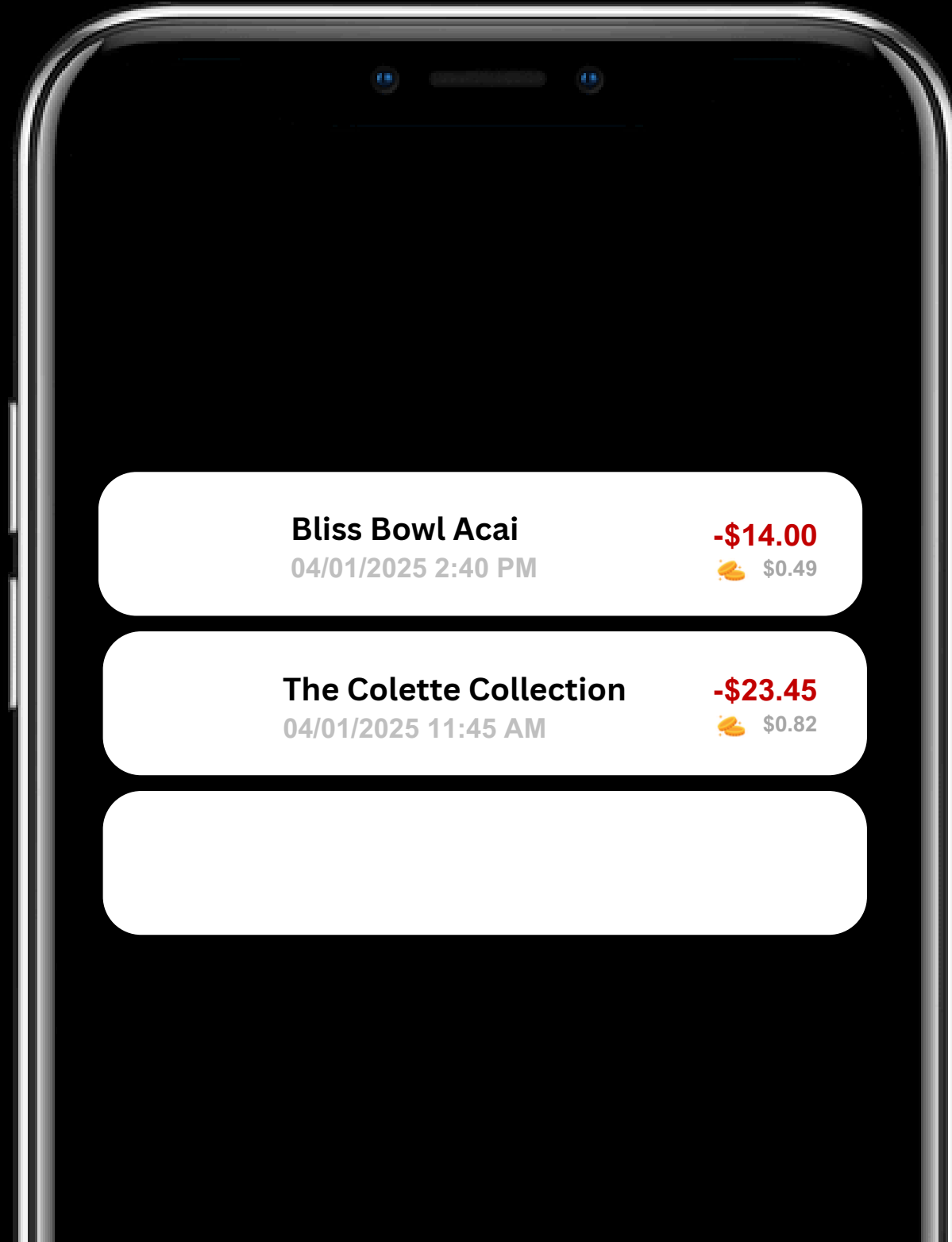
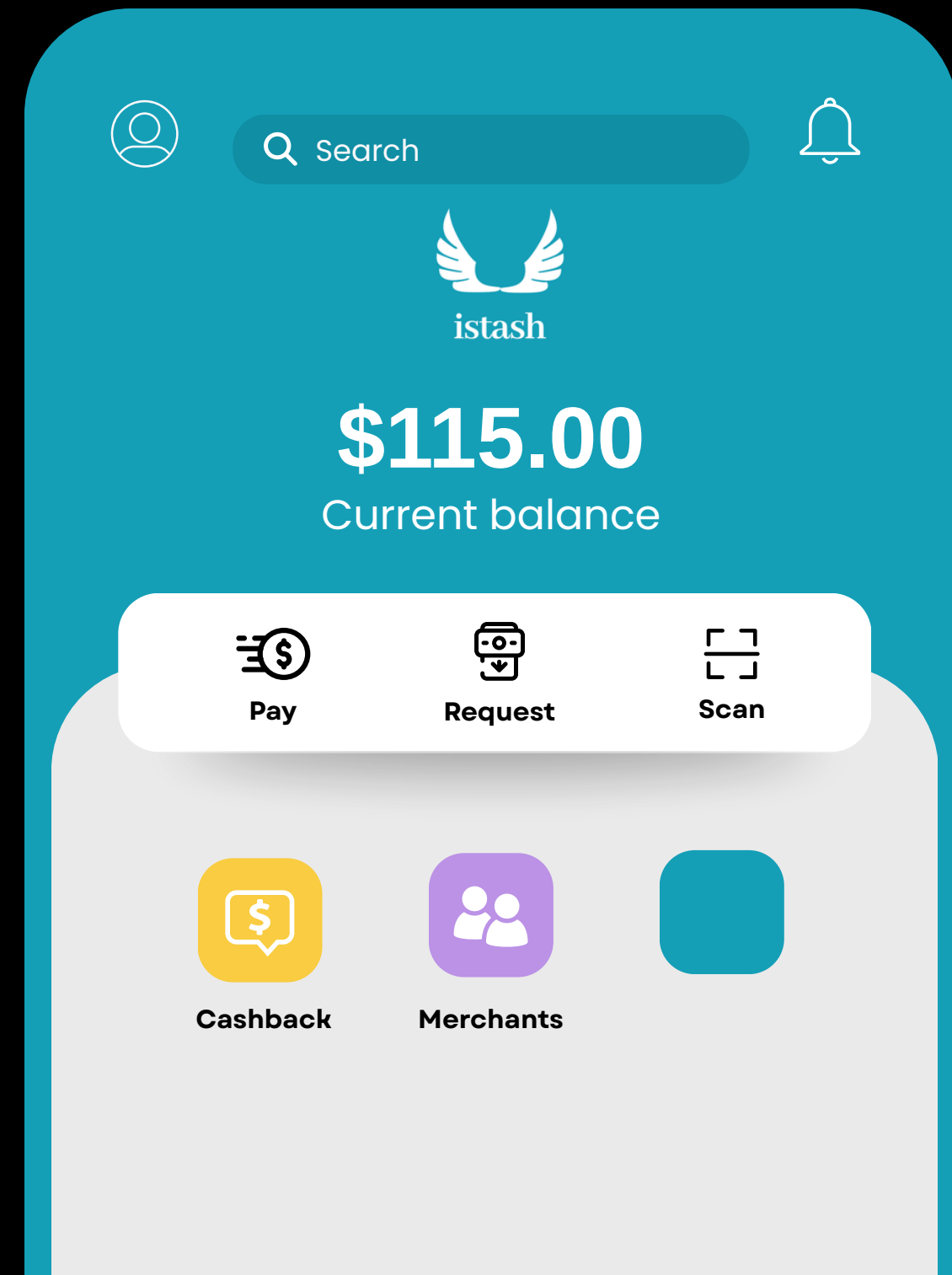
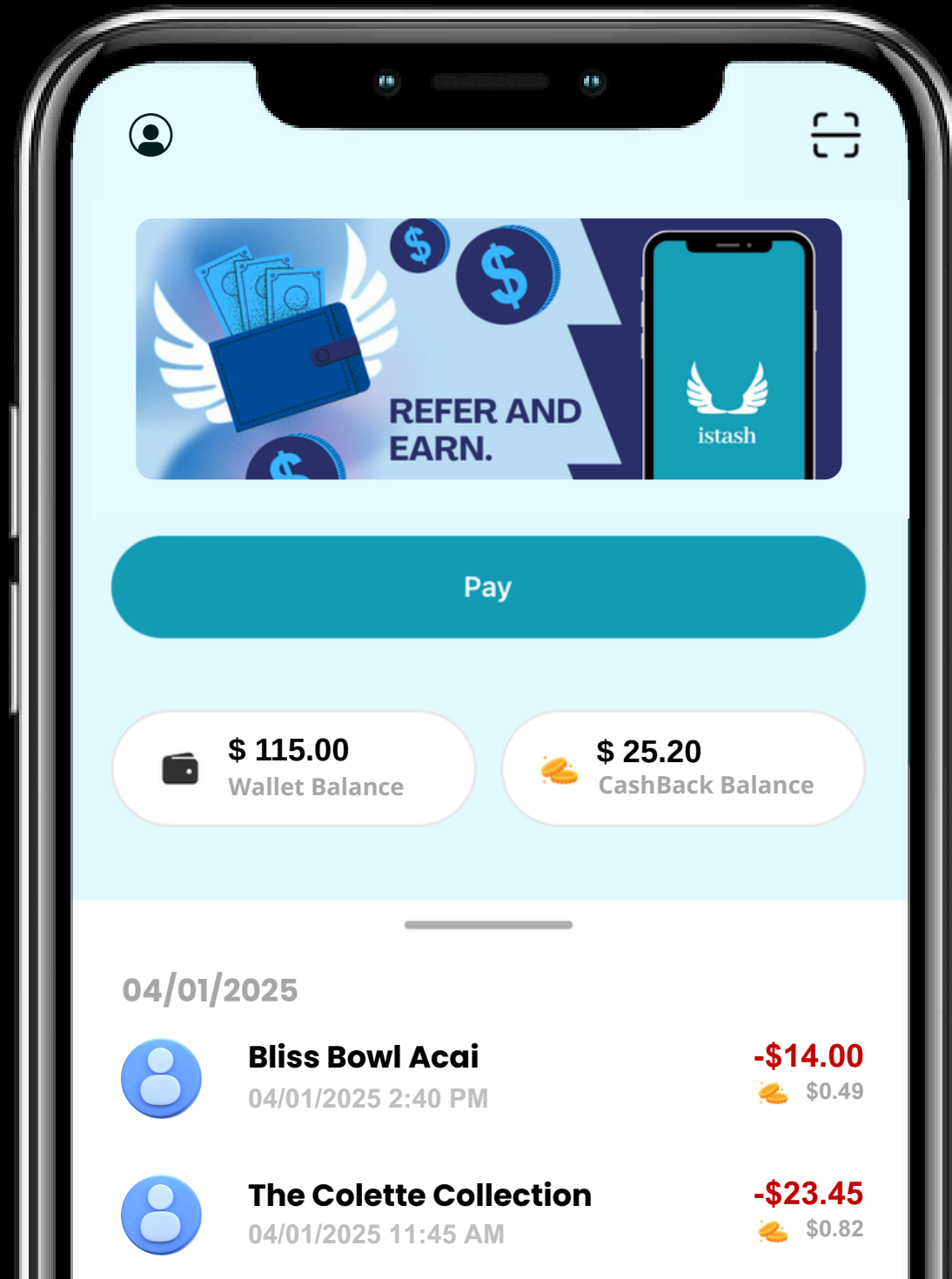
## HOW?

- Formatting the app's UI design similar to the structure of AliPay/WeChat
- Focus branding on local relevance and community use
- Promote testimonials from Chinese Users

ALIPAY  
支付宝首页重构设计

# MOCK DESIGN

## it UI design

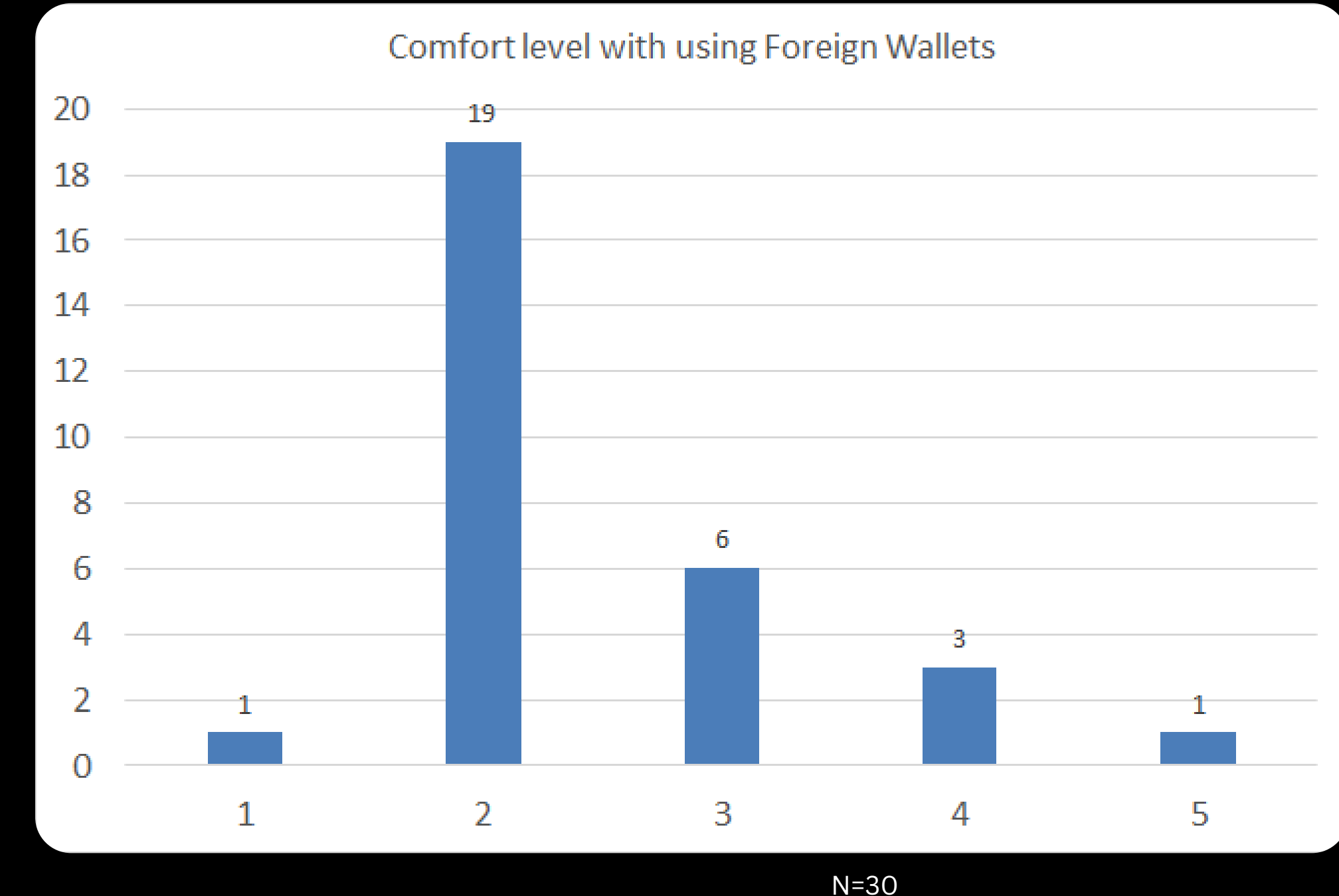




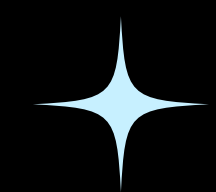
# "FAMILIAR, NOT FOREIGN" - POSITIONING STRATEGY

## WHY?

- Average trust score for foreign wallets: 2.24/5
- Users adopt platforms because friends/family use them
- China favors community-trusted, collectivist systems
- **"In China it's the simplest thing ever... in America, everywhere is different."**

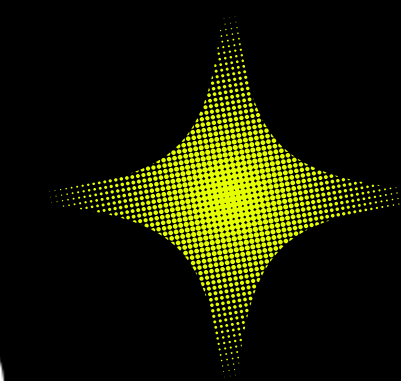
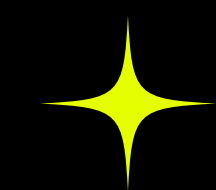






# Recommendation 2

## Form Strategic Local Partnerships





# TRUST THROUGH STRATEGIC LOCAL PARTNERSHIPS

Build legitimacy, trust, and compliance capacity

## HOW?

- Partnering indirectly with a third-party local fintech firm
- Form a strategic alliance with a mid-tier local bank

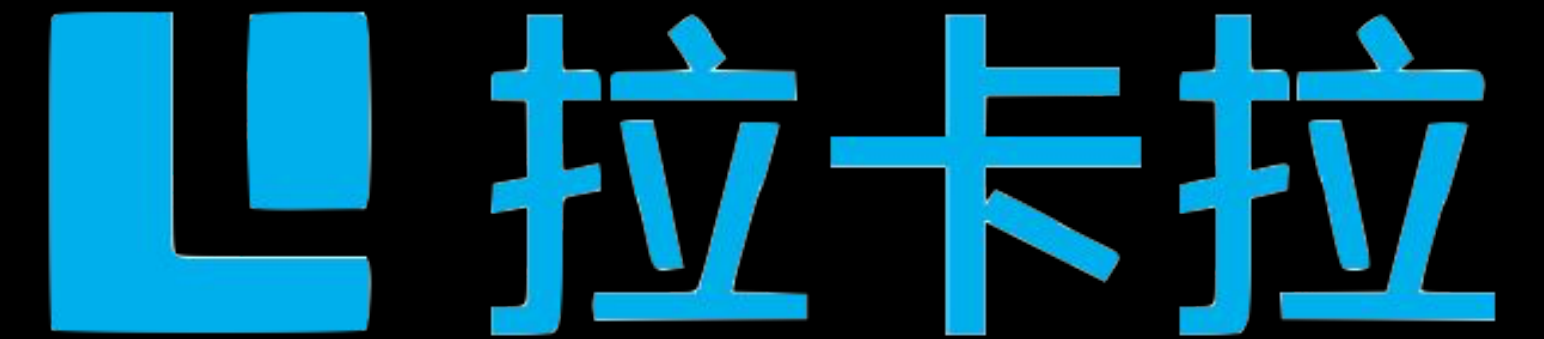




## INDIRECT PARTNERSHIP WITH LAKALA (THIRD-PARTY LOCAL FINTECH FIRM)

- **Lakala (Payment Service Provider)**

- Supports domestic & international bank cards, QR code, digital RMB, and cross-border payments
- Cross-border payment capabilities in 100+ countries
- Partnered with MasterCard, VISA, Discover & American Express
- Licensed to acquire all major card brands
- Looking to deepen its cooperation with international card organizations





# STRATEGIC PARTNERSHIP WITH MID-TIER LOCAL BANK

- **Ping An Bank (平安銀行)**

- A **tech-forward joint-stock bank** under Ping An Group
- Known for digital finance, blockchain, and smart services (essential for digital wallets)
- Actively seeks tech partnerships (great for startups)





# TRUST THROUGH STRATEGIC LOCAL PARTNERSHIPS

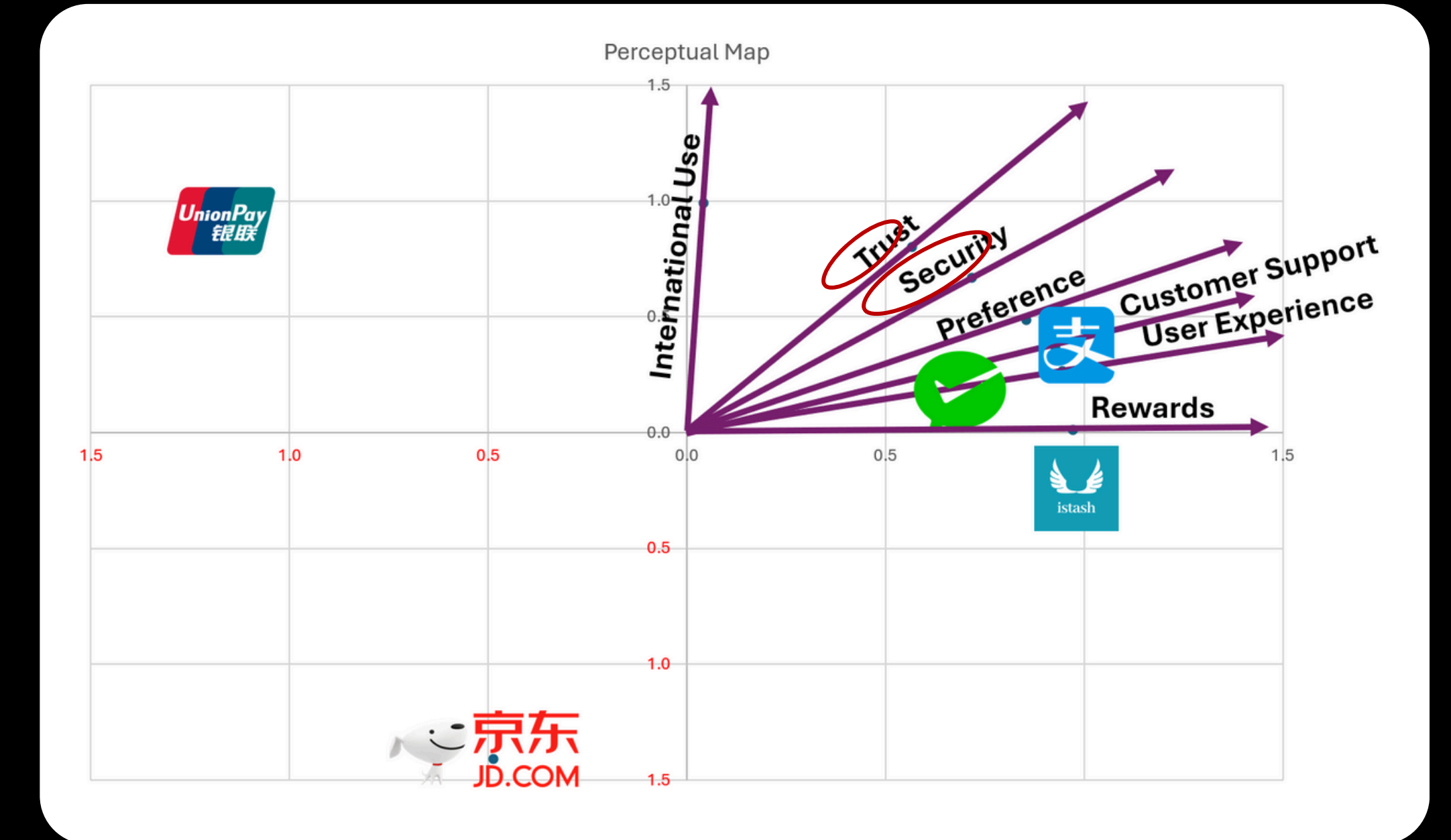
## WHY?

Build **legitimacy, trust, and compliance capacity**

Foreign fintech companies are required to partner with local entities due to regulatory mandates:

- **People's Bank of China (PBOC) Licensing Rules**
- **Foreign investment Laws**
- **Cybersercuity Laws**

*\*\*\*Refer to appendix for the specific laws and regulations*







# Recommendation 3

## Enhancing the Rewards Program



# CULTURALLY-TAILORED REWARDS PROGRAM

Offering **culturally aligned, financially** meaningful incentives to drive adoption and retention.

## HOW?

- Adding a feature that allows for users to send red envelopes with the cashback money inside of it digitally to other users.



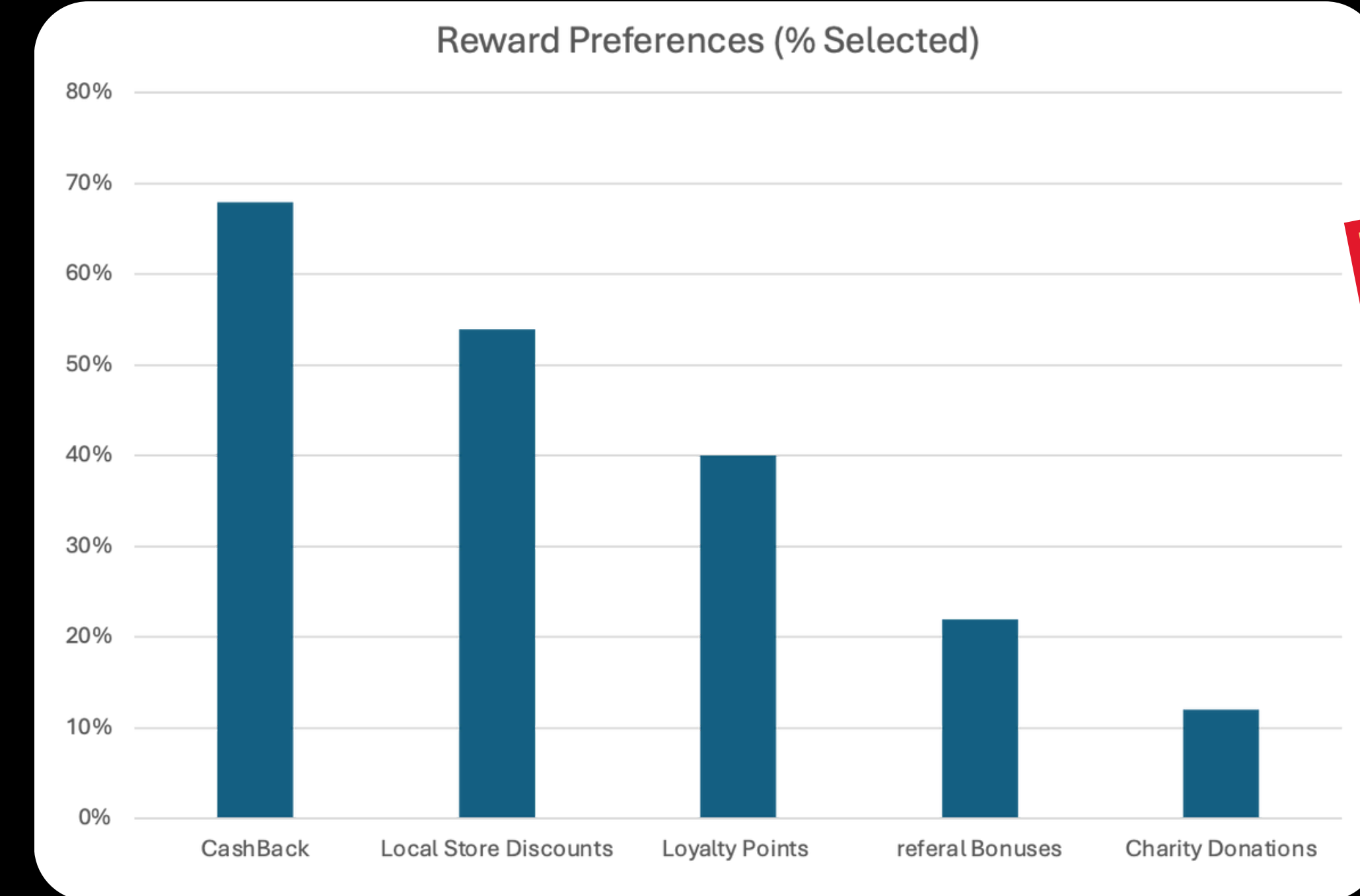




# CULTURALLY-TAILORED REWARDS PROGRAM

## WHY?

- Red envelopes campaigns led to 100+ million daily transactions during peak periods through the years
- Over 70% of Chinese mobile payment users have used digital red envelopes
- 68% of users prefer cashback



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Thank you!

We're happy to answer any questions you have



An aerial photograph of a dense urban landscape, likely Hong Kong, featuring numerous skyscrapers and a prominent radio tower in the foreground. The image is dark and serves as a background for the title.

# Appendix

# ★ PEST ANALYSIS

THE U.S.

## POLITICAL

- **Regulation is currently unstable**
- CFPB and crypto have been shut down, raising regulatory fragmentation.
- **No national privacy law**, 20 states have separate rules.
- Deep political polarization; **unstable post-election environment**
- **“Reciprocal tariffs”** (10–25%) affecting trade and imports; China faces 125% tariff hikes.

## ECONOMIC

- Remains a **strong economy**
- **2025 GDP: \$27T with 2.8% growth**
- **Low 4.2% unemployment**
- Still top FDI destination despite uncertainty
- Inflation remains above the Fed’s 2% target (4.1% in 2023)
- **Credit card fees: 1.5–3.5% per transaction**
- Tight monetary policy may slow investment and job growth

## SOCIAL

- Aging population, but migration fuels growth and diversity
- **High premium spending**; top 10 global consumer market
- Income inequality rising: 12% increase in homelessness (2024–2025)
- **Data privacy remains a big issue** – 72% of consumers demand stricter data privacy laws

## TECHNOLOGICAL

- Internet usage headed toward 97% by 2028
- **Mobile-first economy**; with real-time payment systems & many fintech firms
- **1+ mobile subscription per person**
- Rising AI misuse concerns: deepfakes, election risks
- **Gaps between urban and rural areas**

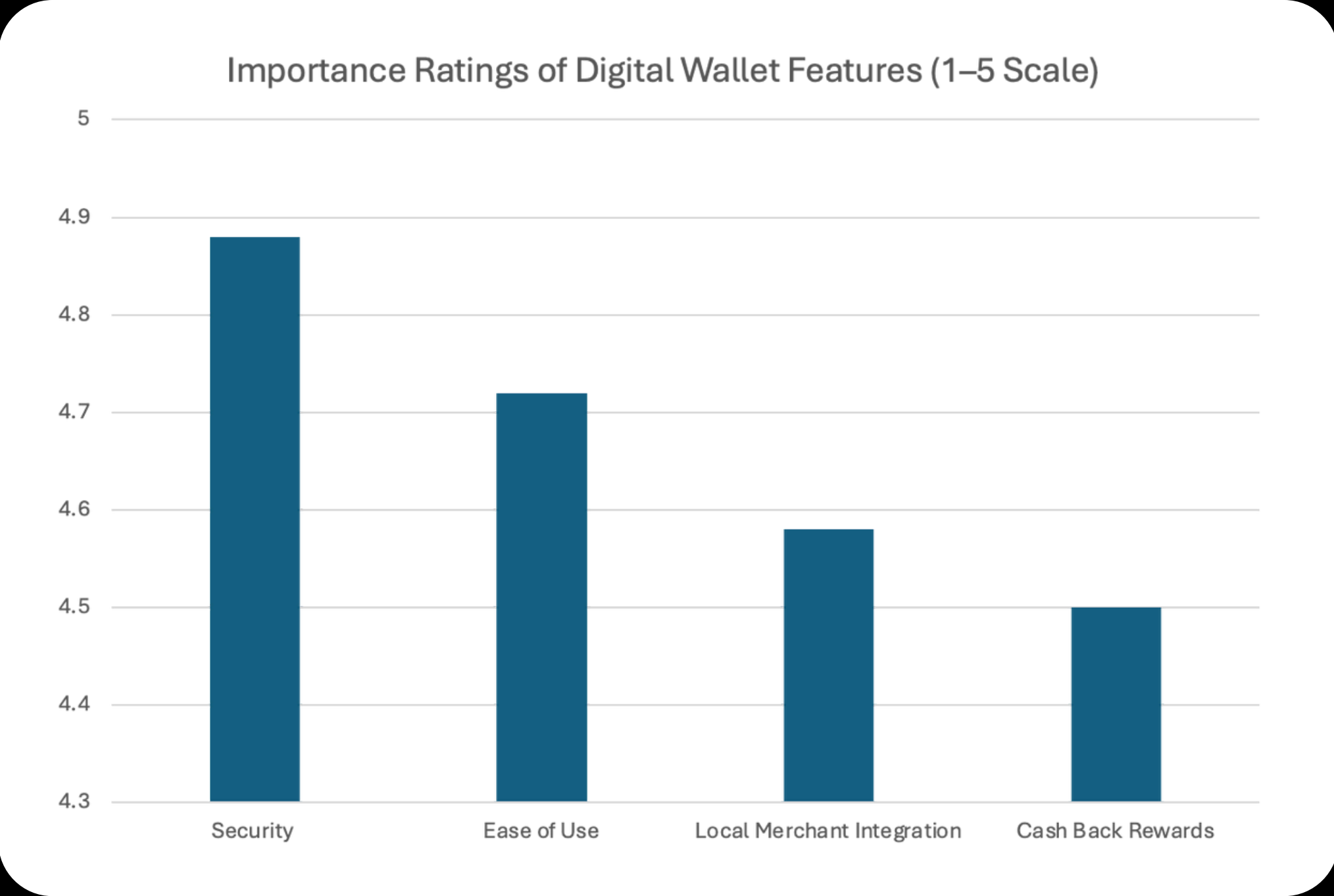




# ★ SWOT ANALYSIS

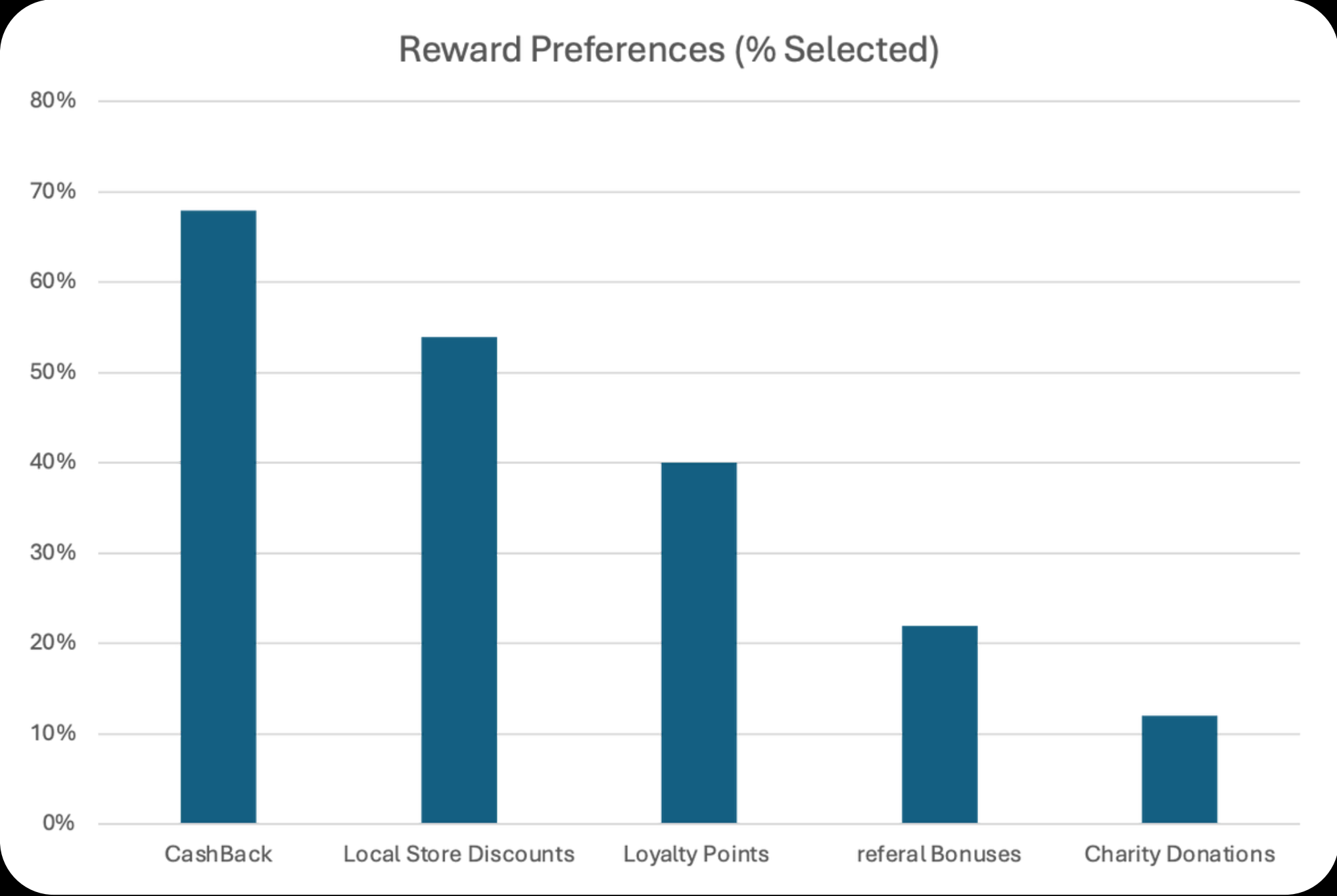


STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"><li>• 3% cashback</li><li>• Low swipe fees</li><li>• Extensive U.S. market experience</li><li>• Mobile-first, QR-integrated platform</li><li>• Innovative payment features and rewards</li><li>• Strong digital infrastructure for scalability.</li></ul>	<p>Low brand recognition</p> <p>Cultural misalignment with U.S. marketing style</p> <p>Lack of local partnerships</p> <p>Distance, time zone, and language barriers</p> <p>★</p>	<p>Large tech-savvy population (1.4B)</p> <p>Growing middle class and consumption</p> <p>Niche market for merchant-specific services</p> <p>Desire for QR-based platforms</p> <p>Technology growth creating API integration opportunities.</p>	<p>Complex regulations (data localization, licenses, censorship)</p> <p>Geopolitical tensions (U.S.-China)</p> <p>Dominance of super-apps (Alipay, WeChat Pay)</p> <p>Domestic brand preferences</p> <p>Intellectual property risks.</p>



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# QUALITATIVE INTERVIEWS



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# KEY DATA

**BUILD STRONG BRAND REPUTATION <---**

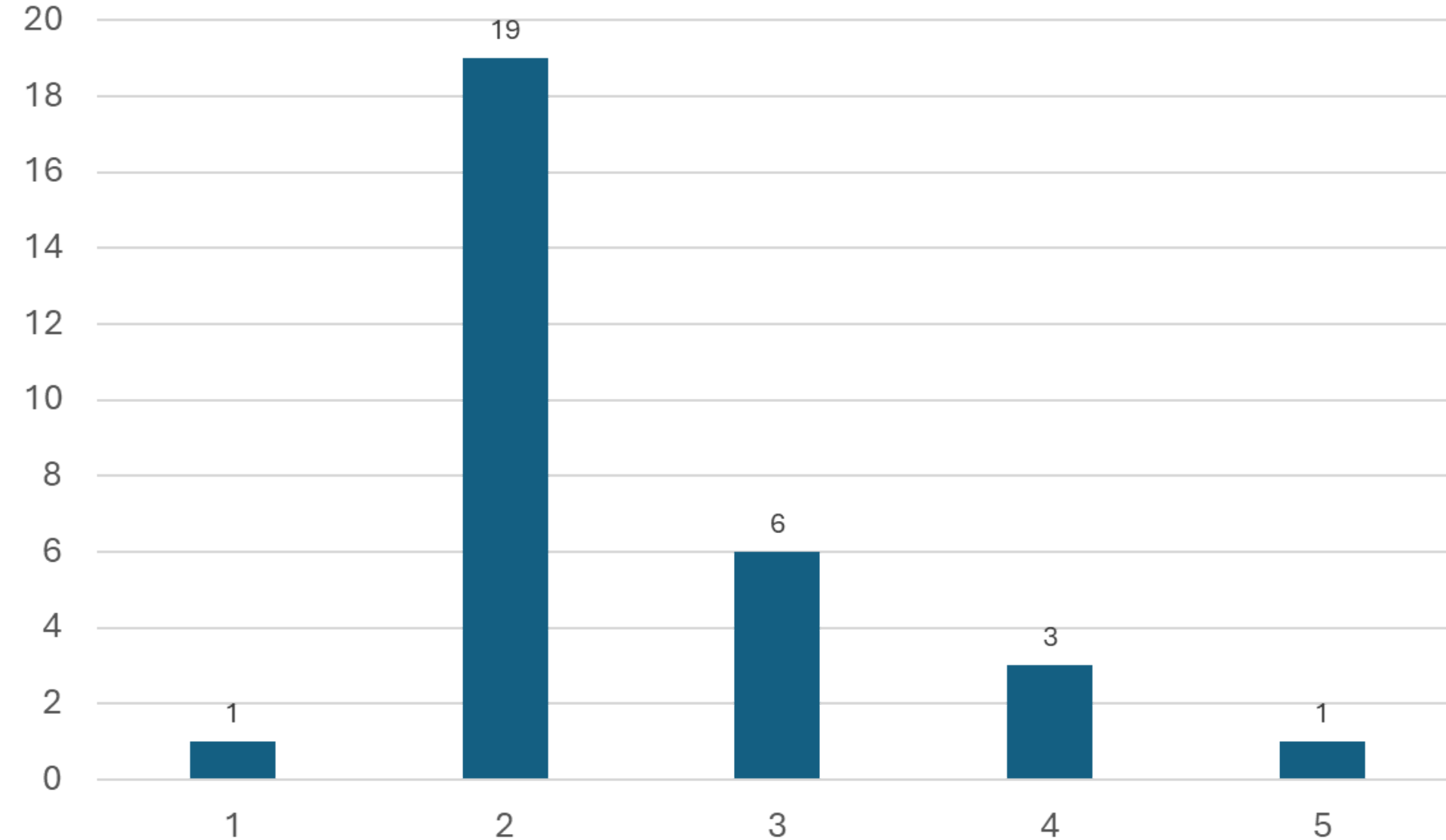
**EMPHASIZE SECURITY MESSAGING <---**

**PARTNER WITH LOCAL MERCHANTS <---**

**---> ADDRESS COMFORT CONCERNS**

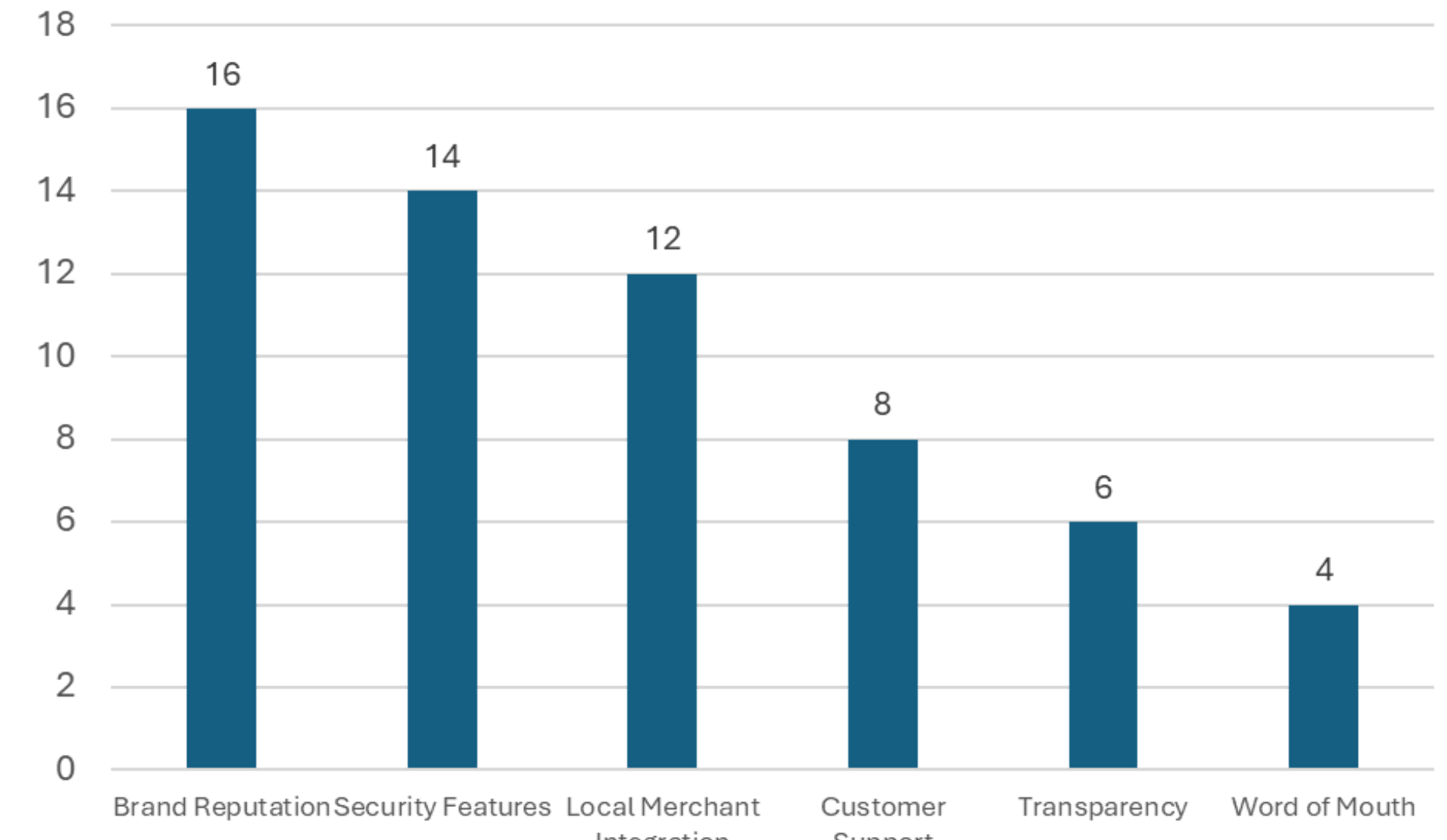
**---> FOREIGN WALLETS ARE NOT ACCEPTED**

Comfort level with using Foreign Wallets



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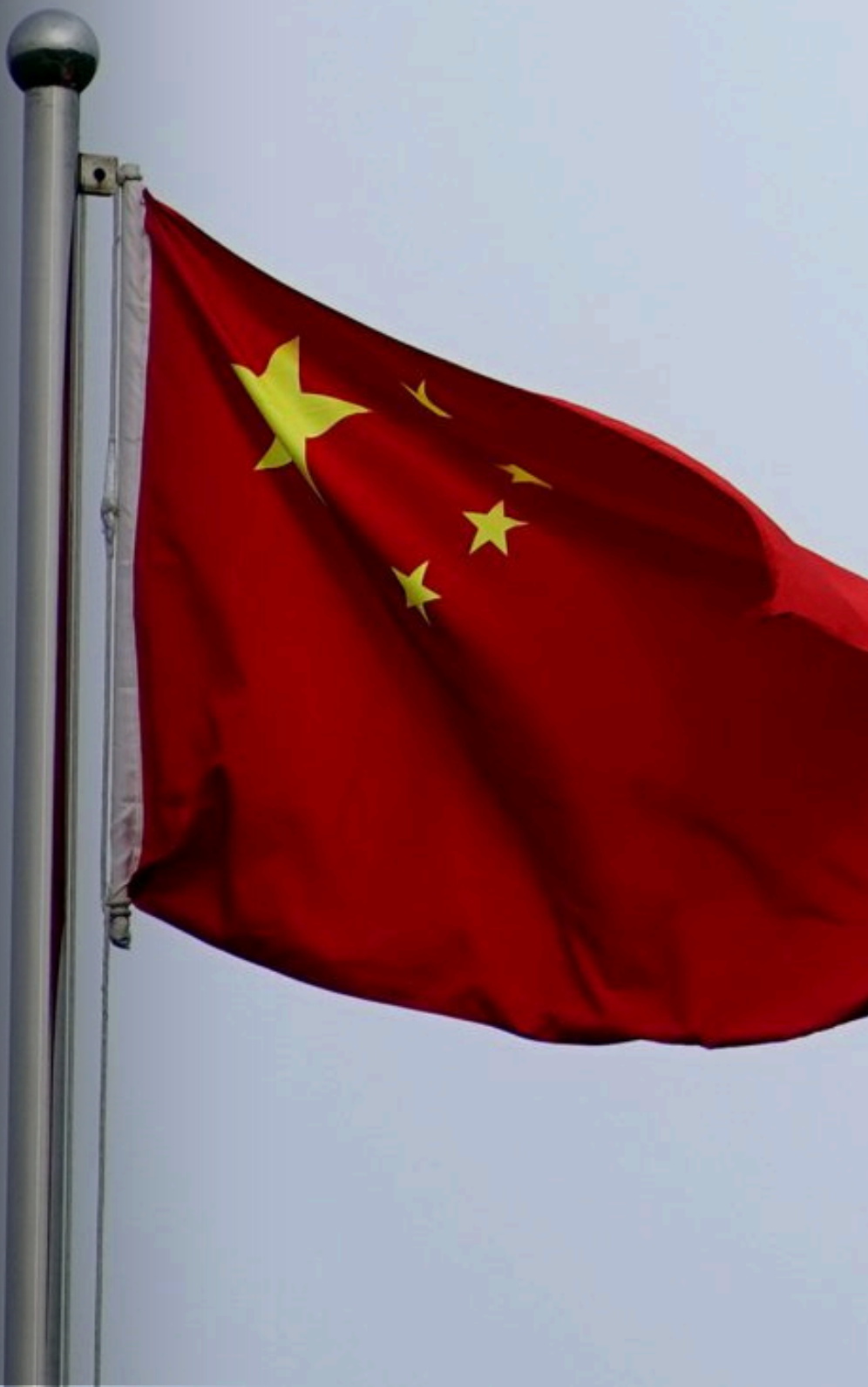
Trust Feature Importance



N=30

# ★ CAGE ANALYSIS

CULTURAL	ADMINISTRATIVE	SOCIAL	TECHNOLOGICAL
<ul style="list-style-type: none"><li>• China is a collectivist society, valuing group harmony</li><li>• Preference for hierarchical structures in workplace</li><li>• Citizens prefer to persevere for future goals and wants</li><li>• Mandarin is the most dominant language in china</li></ul>	<ul style="list-style-type: none"><li>• China has centralized oversight (PBOC, NFRA, CSRC)</li><li>• China mandates strict data localization (PIPL, DSL)</li><li>• China requires local partnerships, raising IP concerns strong, consistent IP protection.</li></ul>	<ul style="list-style-type: none"><li>• China and the U.S. are 7,252 miles apart with a 12–13 hour time difference</li><li>• Real time support and compliance complicated</li><li>• Distance = higher spending on travel, legal, and payment infrastructure.</li><li>• Fragmented payment landscape (Alipay, WeChat)</li></ul>	<ul style="list-style-type: none"><li>• GDP per Capita: China: \$13,312</li><li>• Year-on-year decline by April 2025 (weak demand)</li><li>• China's \$1.7T QR market is led by Alipay and WeChat (90% share).</li><li>• Recent tariffs peaked at 145% on Chinese goods and 125% on U.S. exports, then temporarily dropped to 30% and 10% after a 90-day deal on May 12, 2025.</li></ul>





# PERSONA

## THE BUDGET-CONSCIOUS SHOPPER

**Age:** 18–34

**Occupation:** Student or early-career professional

**Motivation:** Instant cashback, app simplicity

**Values:** Trust, control over spending, privacy

**Behavior:** Uses QR payments daily and avoids apps that seem insecure

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**Quote:** *“If I can’t trust it with my money, nothing else matters.”*

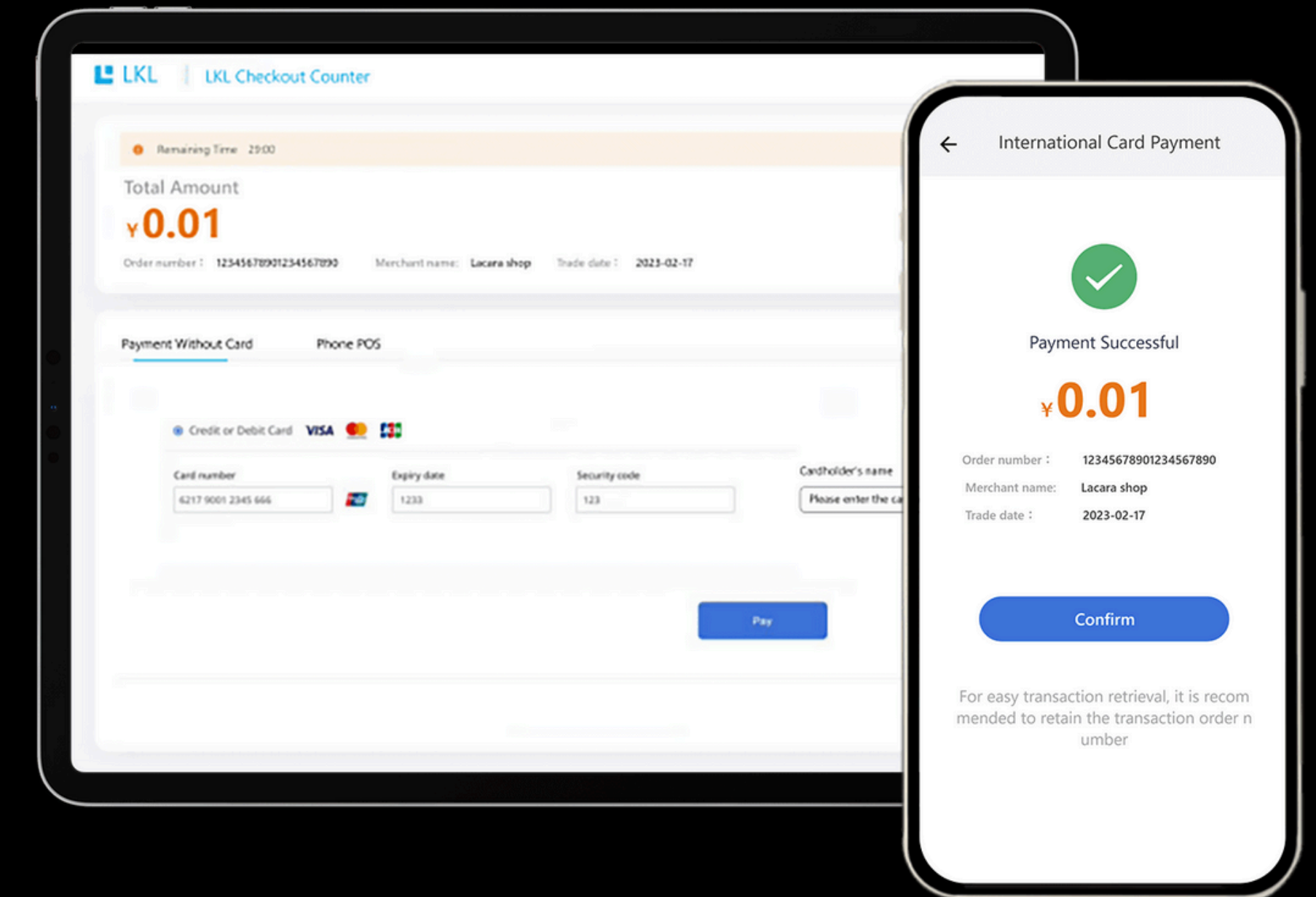
Syntheticusers



# LAKALA ONLINE PAYMENT GETAWAY

- A simple, secure, and efficient payment tool for all
- Customizable Interface
  - Tailor to your brand and integrate seamlessly with your website/app
  - Secure & Reliable
  - Advanced encryption ensures transaction safety and customer privacy
- Applicable Industries
  - Retail
  - Tourism
  - Service
  - E-commerce

Website

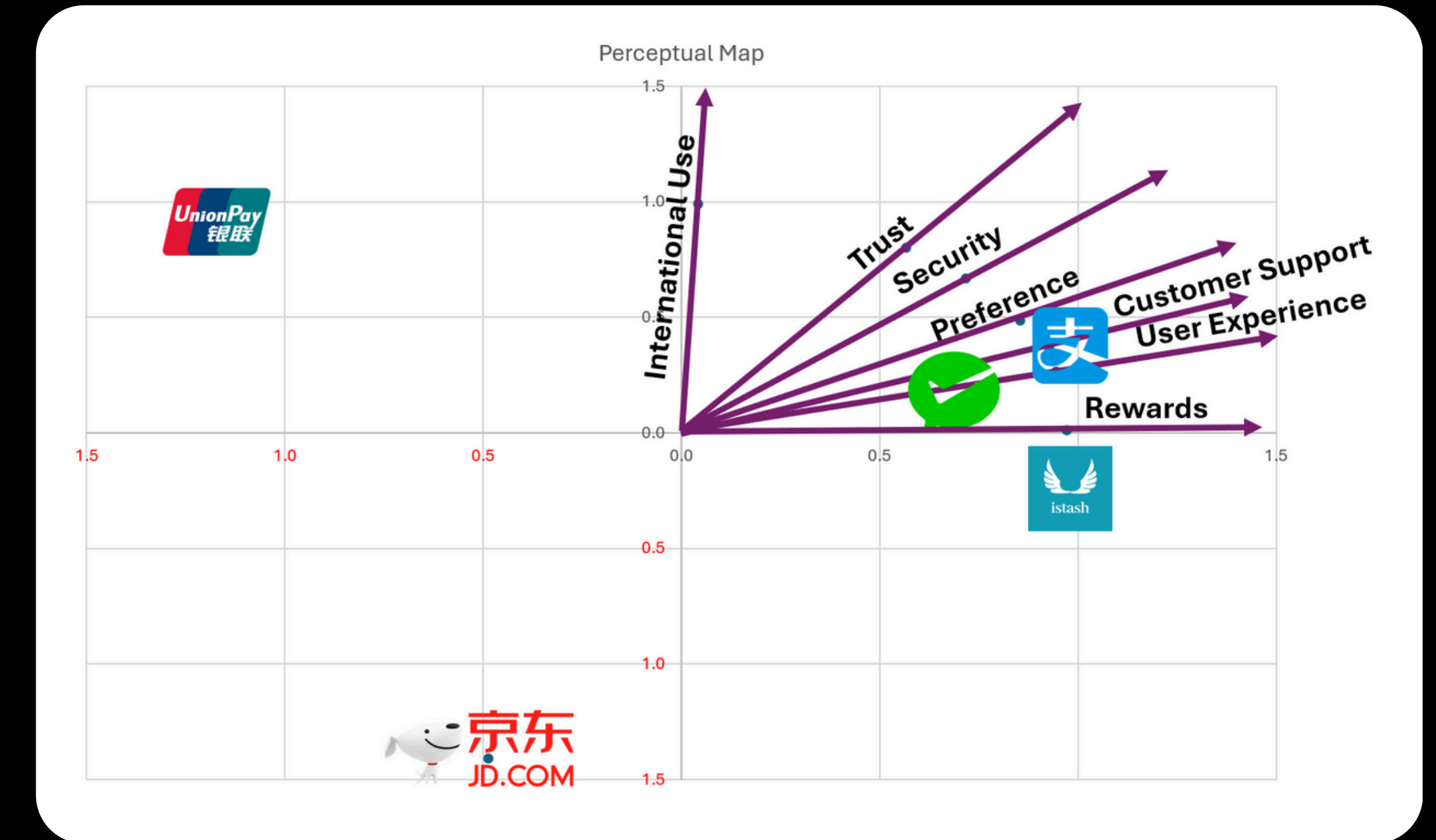




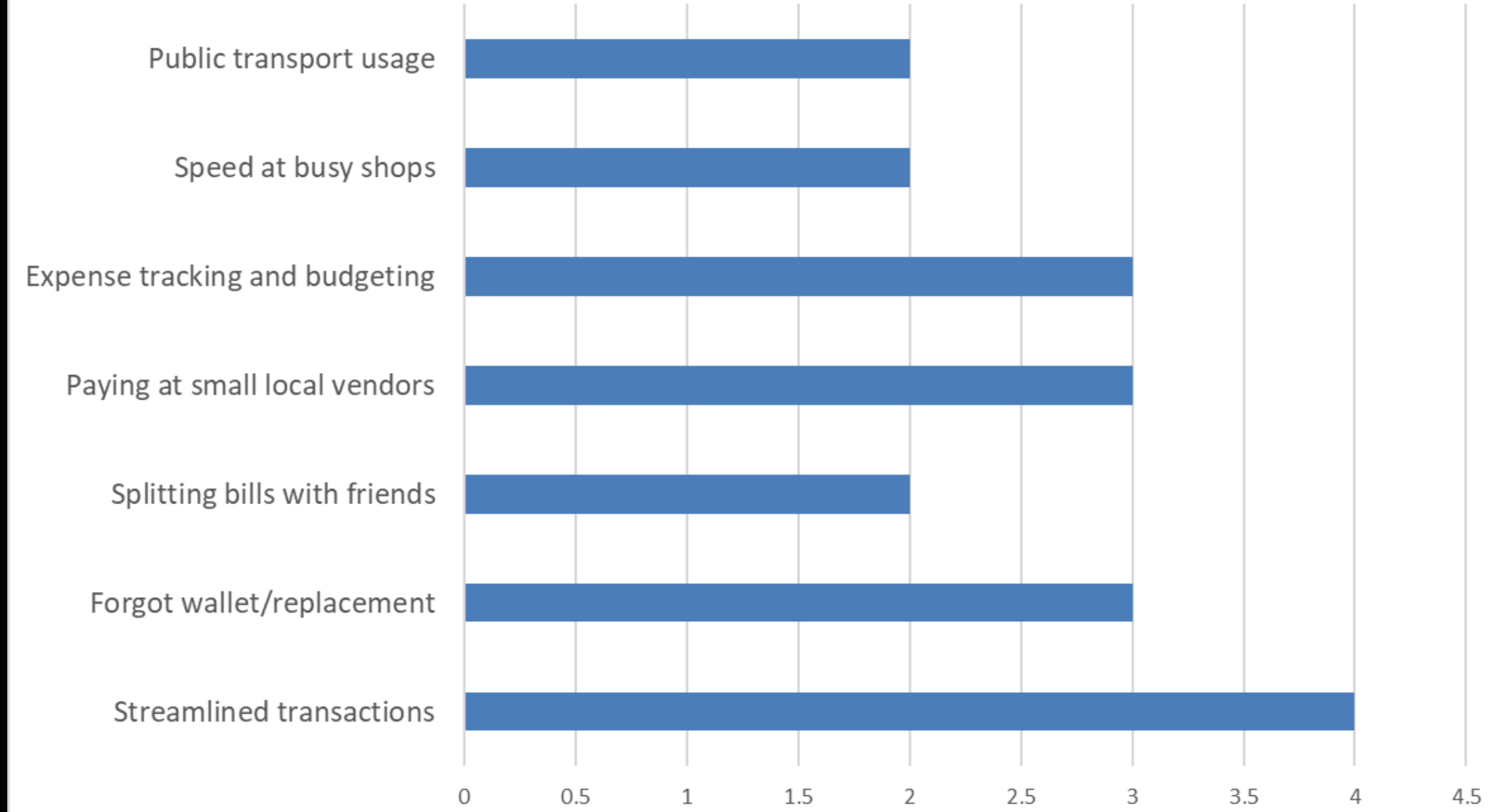
# TRUST THROUGH STRATEGIC LOCAL PARTNERSHIPS

## LAWS

- **People's Bank of China (PBOC) Licensing Rule:** Only locally licensed firms can legally offer payment services. Foreign firms must partner or acquire one to operate.
- **Foreign Investment Law:** Financial services are restricted sectors that foreign firms often need joint ventures to gain access.
- **Cybersercuity Law:** Requires financial data to be stored in China. Local partners help to ensure compliance with data localization rules.



### Why people use Digital Wallets



N=30



# ★PEST ANALYSIS

POLITICAL	ECONOMIC	SOCIAL	TECHNOLOGICAL
<ul style="list-style-type: none"><li>• One-party rule (CCP); strict control over data, tech, and finance</li><li>• 2025 laws tighten audits, data privacy, and cross-border data flows</li><li>• Heavy censorship, mandatory data localization</li><li>• Low economic freedom; weak IP protection</li></ul>	<ul style="list-style-type: none"><li>• 2025 GDP: \$19.53T; 4.0% growth, \$13.7K per capita</li><li>• Yuan tightly managed; impacts fintech operations</li><li>• QR code payments dominate; low card fees</li><li>• 59K+ new foreign firms (2024); super apps (Alipay, WeChat) dominate</li><li>• SMEs = 60%+ of GDP, 80%+ of urban jobs</li></ul>	<ul style="list-style-type: none"><li>• 1.4B people; aging but mobile-first and tech-savvy</li><li>• 1.1B internet users (78.6%)</li><li>• Strong domestic app loyalty; trust barriers for foreign fintechs</li><li>• High privacy expectations; demand seamless, localized UX</li></ul>	<ul style="list-style-type: none"><li>• 90% of in-person payments via QR</li><li>• Leader in AI, big data, mobile internet</li><li>• World's largest mobile user base</li><li>• State control over tech and cybersecurity</li></ul>

