

## **Phase 3: Features and Prioritization**

### **Product Chosen: Zerodha Kite**

#### **P0: Investor Decision Confidence Constraint**

Users struggle with decision overwhelm when selecting stocks, which causes hesitation or premature exits, impacting capital deployment and long-term AUM growth aligned with strategic expansion.

#### **Solutions**

##### **Guided Discovery solutions**

- Smart sector-based shortlisting
- Risk-profile-based stock filters
- Beginner vs advanced mode toggle
- “3 reasons to buy / 3 risks” summary panel

##### **Confidence Signals**

- Visual conviction meter (volatility + fundamentals + sentiment)
- Historical holding performance simulator
- Peer behaviour insights (“X% long-term holders”)

##### **Decision Support AI**

- AI-generated summary of stock fundamentals
- Explainable AI risk summary
- Natural language query: “Find stable dividend stocks”

##### **Behavioural Nudges**

- “You usually exit at +5%, long-term avg return was +18%”
- Portfolio concentration warnings
- Holding period comparison to benchmark

##### **Education Embedded in Flow**

- Micro-learning cards in stock page
- Risk glossary contextual popups
- Exit impact simulator

##### **Social Validation**

- Micro-learning cards in stock page
- Risk glossary contextual popups
- Exit impact simulator

# Prioritization matrix

| Solution                             | Segment Leverage           | Opportunity Leverage       | Feasibility | Strategic Alignment         | Risk Level | Decision   | Why Selected                                                                          |
|--------------------------------------|----------------------------|----------------------------|-------------|-----------------------------|------------|------------|---------------------------------------------------------------------------------------|
| AI Stock Summary + Risk Breakdown    | High (long-term investors) | High (reduces hesitation)  | Medium–High | Strong (neutral info layer) | Medium     | Considered | Improves clarity without advisory bias; scalable; directly reduces cognitive overload |
| Smart Filters by Risk Profile & Goal | High                       | Medium–High                | High        | Strong                      | Low        | Considered | Enables structured discovery; respects user autonomy; easy rollout                    |
| Conviction Meter + Holding Simulator | Medium–High                | High (reduces early exits) | Medium      | Strong                      | Medium     | Considered | Directly addresses premature exit behaviour; ties to holding duration metric          |

## Solutions that are not considered now and for later

| Solution                       | Segment Leverage | Opportunity Leverage | Feasibility | Strategic Alignment | Risk Level | Decision | Why Not Now                                                             |
|--------------------------------|------------------|----------------------|-------------|---------------------|------------|----------|-------------------------------------------------------------------------|
| Embedded Micro-Learning Cards  | Medium           | Medium               | High        | Strong              | Low        | Later    | Helpful but does not directly change capital allocation behaviour       |
| Portfolio Concentration Alerts | Medium           | Medium               | High        | Strong              | Low        | Later    | Risk management improvement; not directly tied to confidence constraint |
| Anonymous Holding Trends       | Medium           | Medium               | Medium      | Moderate            | Medium     | Later    | Adds signal but may introduce herd bias; indirect impact                |

## Not Considering for now

| Solution                | Segment Leverage | Opportunity Leverage | Feasibility | Strategic Alignment                          | Risk Level | Decision       | Why Rejected                                                            |
|-------------------------|------------------|----------------------|-------------|----------------------------------------------|------------|----------------|-------------------------------------------------------------------------|
| Recommendations         | High             | High                 | Medium      | Weak<br>(conflicts with non-advisory stance) | High       | Not Considered | Violates Zerodha philosophy; regulatory exposure; advisory risk         |
| Social Copy Trading     | Medium           | Medium               | Medium      | Weak–Moderate                                | High       | Not Considered | Regulatory complexity; shifts responsibility; risk amplification        |
| Expert Commentary Feed  | Medium           | Low–Medium           | Medium      | Moderate                                     | Medium     | Not Considered | Noise-heavy; low measurable impact on capital deployment                |
| Gamified Trading Nudges | Low              | Low                  | High        | Weak                                         | High       | Not Considered | May increase risky behaviour; misaligned with long-term investing focus |

# Success Metrics

## Primary Metric:

Increase in average capital allocation per user

## Secondary:

- Increase in holding duration
- Reduction in premature exits (<30 days)
- Increase in repeat trades by long-term investors
- Growth in AUM per active investor

## Behaviour Metrics:

- % users engaging with AI summary
- Time spent on analysis page
- Conversion from summary view → trade
- Guardrail Metrics:
  - Increase in risky concentration
  - Complaints about bias
  - Regulatory flags

## Pitfalls & Mitigation

| Risk Category                | Specific Pitfall                                | Impact on User                      | Impact on Business                    | Mitigation Strategy                                                                | Guardrail Metric                         |
|------------------------------|-------------------------------------------------|-------------------------------------|---------------------------------------|------------------------------------------------------------------------------------|------------------------------------------|
| Regulatory / Compliance      | AI summary interpreted as investment advice     | Misleading guidance                 | Legal exposure, regulatory penalties  | Use neutral language, no “Buy/Sell” signals, compliance review before release      | Compliance flags, legal review approvals |
| Overconfidence Bias          | Conviction meter gives false sense of certainty | Risky capital allocation            | Increased user losses → trust erosion | Show downside scenarios; highlight risk factors equally; add volatility disclaimer | Increase in high-risk concentration %    |
| Model Bias                   | AI favors certain sectors or large-cap stocks   | Skewed investment behavior          | Reputational damage                   | Regular bias audits; diversified training data; explainability layer               | Sector allocation variance trend         |
| Herd Behavior                | Showing holding trends creates copy behavior    | Reduced independent decision-making | Increased volatility exposure         | Use anonymized, delayed data; no real-time crowd indicators                        | Correlation spike in user trades         |
| Information Overload         | Too many metrics in summary                     | Cognitive fatigue                   | Drop in engagement                    | Progressive disclosure; beginner/advanced toggle                                   | Summary page bounce rate                 |
| Accuracy Risk                | AI summary misinterprets earnings/news          | Wrong decision inputs               | Loss of credibility                   | Human validation on high-impact summaries; version control                         | User-reported inaccuracies               |
| Performance Impact           | Added AI layer slows app                        | Frustration                         | Drop in engagement                    | Optimize model latency; preload summaries                                          | Page load time KPI                       |
| Ethical Risk                 | Nudges manipulate behavior subtly               | Perceived manipulation              | Brand trust damage                    | Transparent logic; user control over nudges                                        | Nudge opt-out rate                       |
| Misalignment with Philosophy | Feature drifts toward advisory                  | Strategic dilution                  | Brand confusion                       | Clear positioning: “Information assistance, not advice”                            | User perception surveys                  |
| Low Adoption                 | Users ignore AI summary                         | No behavior change                  | No ROI                                | Smart placement in stock page; A/B test visibility                                 | % users engaging with AI module          |