B2C market research

Winden as a consumer file transfer product

September 2022

01

Goals and methodology

Research goals

- Investigating people's willingness to pay for a file transfer product

- Assessing what kind of business model best fits people's needs

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Research questions

1. How big a pain are file transfers for people / To what extent are they willing to pay for them?

2. What price are people willing to pay for a file transfer product/service?

3. What payment model best meets people's needs?

4. What features that distinguish file transfer services do people value most?

5. Which of the existing services that people use could we expect to replace/supplement?

6. What target audience would be most willing to pay for a file transfer product/service?

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Methodology

- Quantitative survey conducted in August 2022.

- Using a self-hosted LimeSurvey instance at survey.leastauthority.com

- Recruited through a test participant provider (TestingTime)

- Recruited from a diversity of European countries
  (focus on Eurozone countries for consistent answering of pricing questions).

- ~300 participants, distributed across three possible targeted groups (~100 each)

  - People who regularly send large files

  - People who regularly send files to themselves

  - People who care about privacy/security in their technology choices

Participant screening questions

Large file senders

Over the past month, how often have you sent/ transferred large files (bigger than 25 MB)?

- Never (disqualify)
- Once (disqualify)
- 2 or 3 times (disqualify)
- <u>4 times or more often</u> (qualify)

Send-to-selfers

Whom did you send files to during the past week? (E.g., photos, videos, documents, backups)

- A family member (irrelevant)
- A friend (irrelevant)
- A colleague (irrelevant)
- <u>Myself (to another device I own)</u> (qualify)

[can choose multiple]

Privacy/security-minded

What is your preferred app for sending messages?

- WhatsApp (disqualify)
- <u>Signal</u> (qualify)
- Instagram (disqualify)
- Facebook Messenger (disqualify)
- SMS (disqualify)
- None of the above (disqualify)

Participant screening - qualification notes

Large file senders

Of 305 screened, 100 qualified

The high qualification percentage indicates that this group was not very pronounced to fit a narrow target audience.

It also suggests that sending large files is a common practice.

Send-to-selfers

Of 309 screened, 100 qualified

The high qualification percentage indicates that this group was not very pronounced to fit a narrow target audience.

It also suggests that sending a file to oneself is a common practice.

Privacy/security-minded

Of 4894 screened, 102 qualified

This aligns with our earlier rough estimate that a target market of 'Signal users' represents about a 50th of the general (not privacy/security-minded) audience.

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02

Results

Legend to understand the charts

The legend in the charts that follow,

- 🔵 **large file**
- 🔴 **send-to-self**
- 🟡 **privacy/security**

refers to **people recruited with that focus as a profile** (see the Methodology).

For example, 'large file' does not refer to the activity of sending large files, it is shorthand for people who frequently send large files.

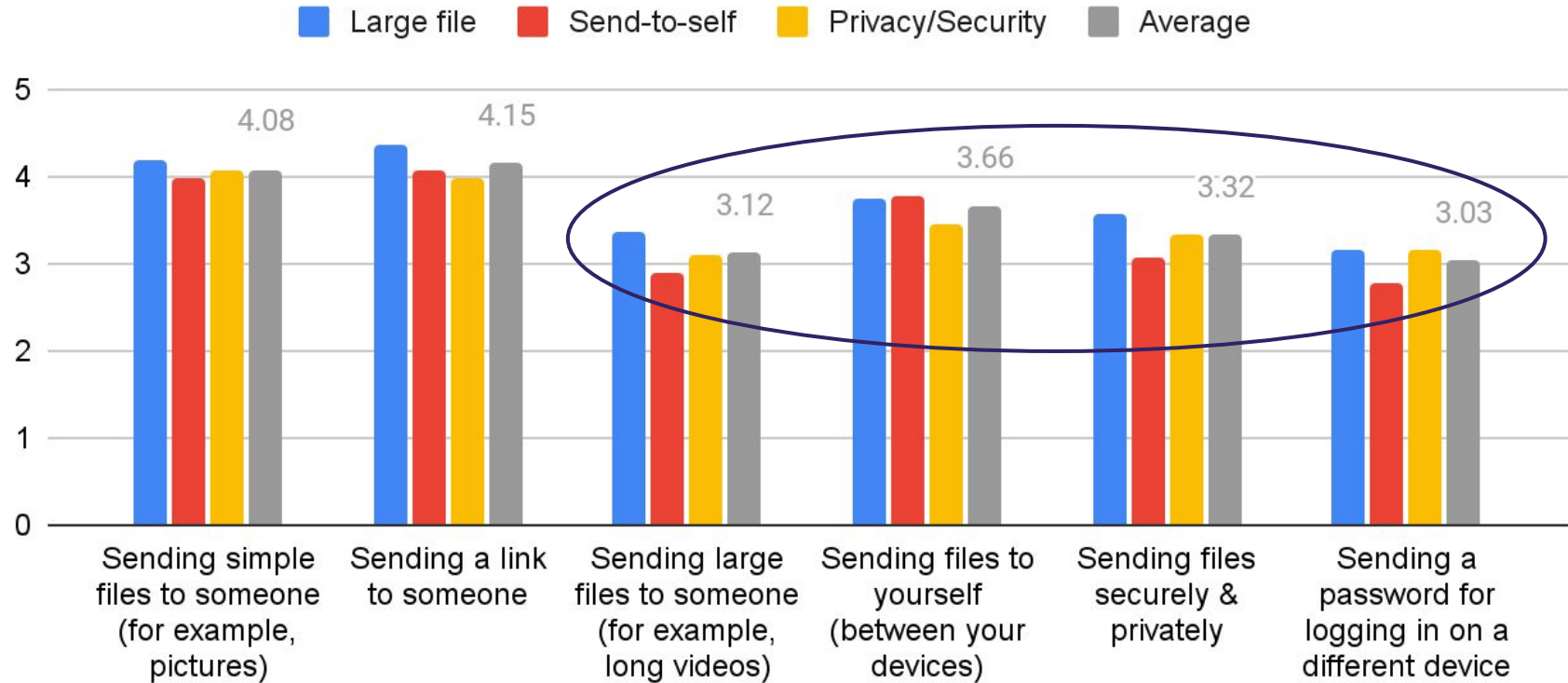This helps us understand the nuances of target audiences and find the right market focus.

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02.1

Current use

Satisfaction lacking for four use cases

How satisfied are you about the current options you have/use for

Legend: Large file · Send-to-self · Privacy/Security · Average

Categories and Average values:
- Sending simple files to someone (for example, pictures): 4.08
- Sending a link to someone: 4.15
- Sending large files to someone (for example, long videos): 3.12
- Sending files to yourself (between your devices): 3.66
- Sending files securely & privately: 3.32
- Sending a password for logging in on a different device: 3.03

Higher is better. 1 = very unsatisfied, 5= very satisfied.

How satisfied are you about the current options you have/use for

Percentage of people who answered 'Satisfied or very satisfied' (4 or 5 on scale of 5)

Legend: Large file | Send-to-self | Privacy/Security | Average
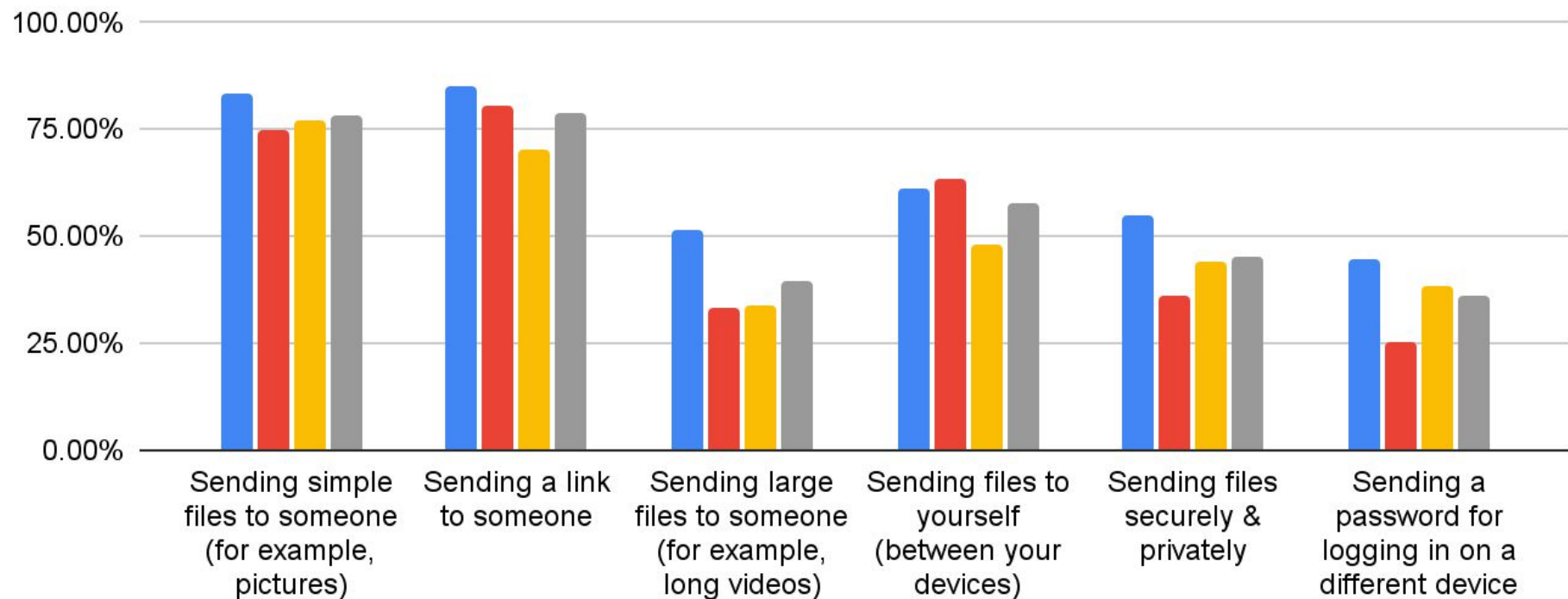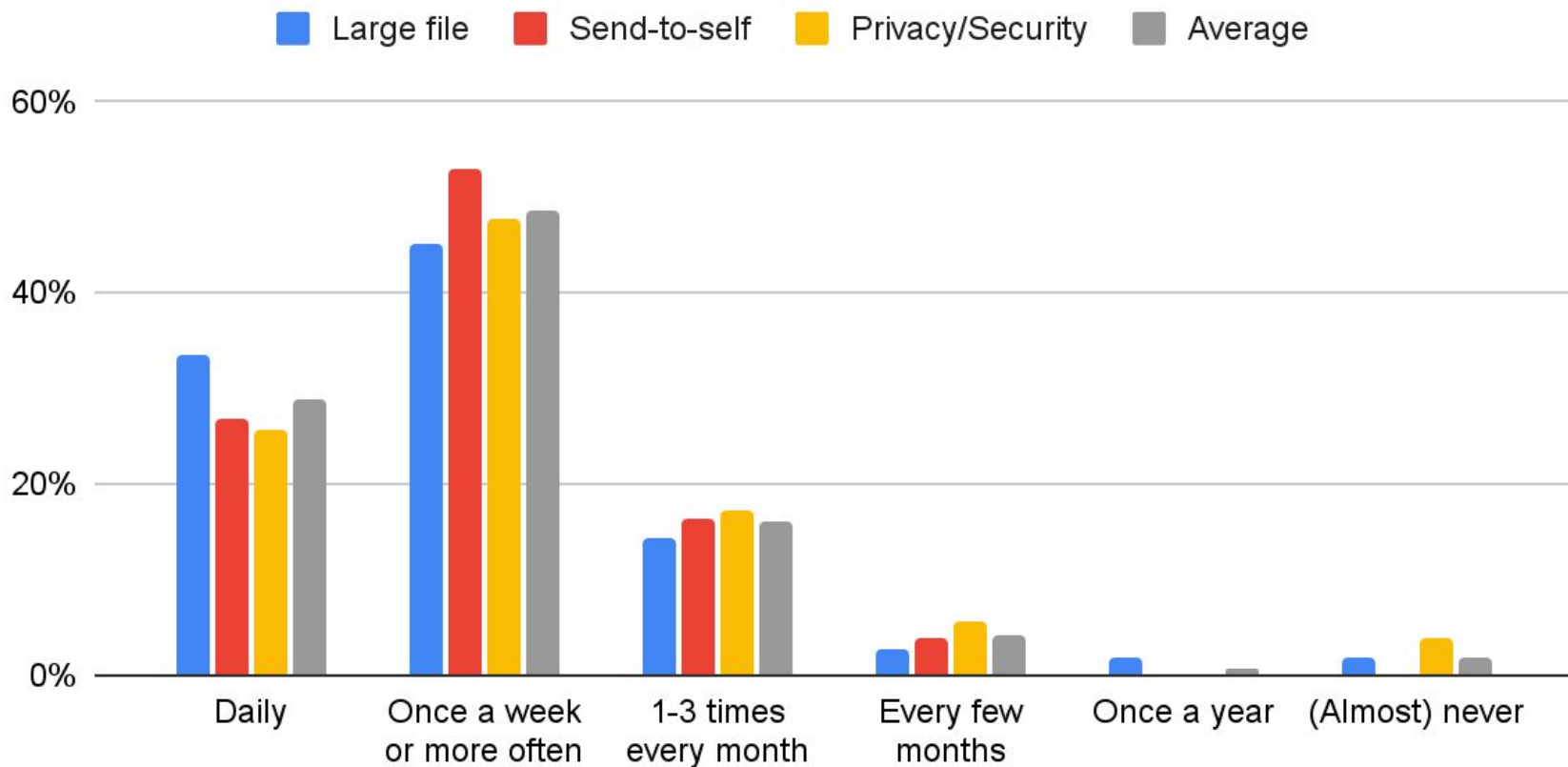
Send-to-self is a common use case.

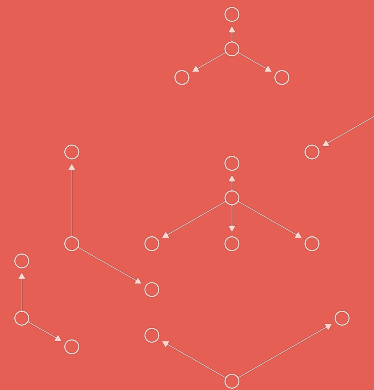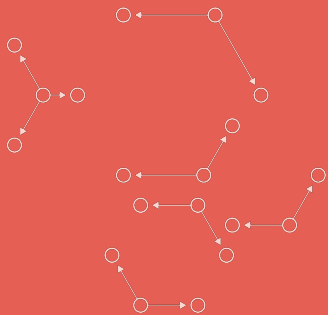Most participants across profiles do this at least once a week
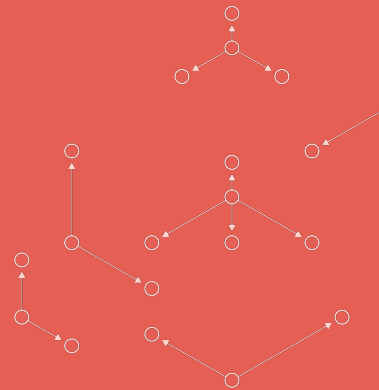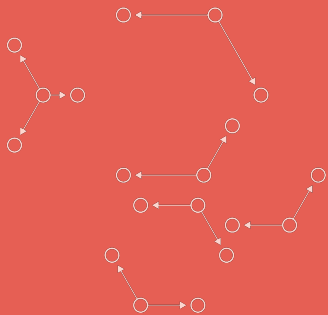
Send-to-self: frequency

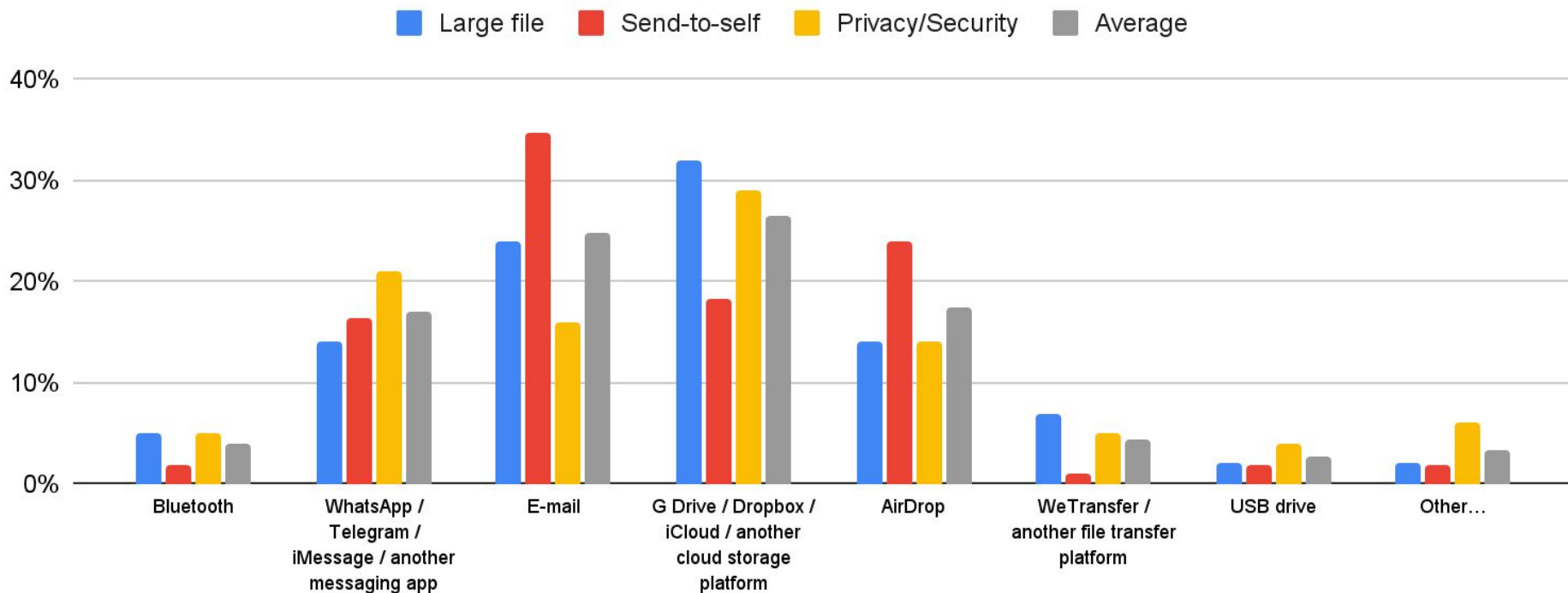How often do you send files to yourself, between devices that you own?

A variety of tools are used for sending files to oneself

Send-to-self: tools

What tools/apps do you use the most to send files to yourself, between devices that you own?

Legend: Large file (blue), Send-to-self (red), Privacy/Security (yellow), Average (gray)

Categories: Bluetooth, WhatsApp / Telegram / iMessage / another messaging app, E-mail, G Drive / Dropbox / iCloud / another cloud storage platform, AirDrop, WeTransfer / another file transfer platform, USB drive, Other…

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Q013: Can you tell us for what purpose you send files to yourself?

(For example, transferring photos from my phone to my computer, so I can back them up on my hard drive, or sending a spreadsheet from my work laptop to my private computer, so I can use a device I'm more comfortable with.)
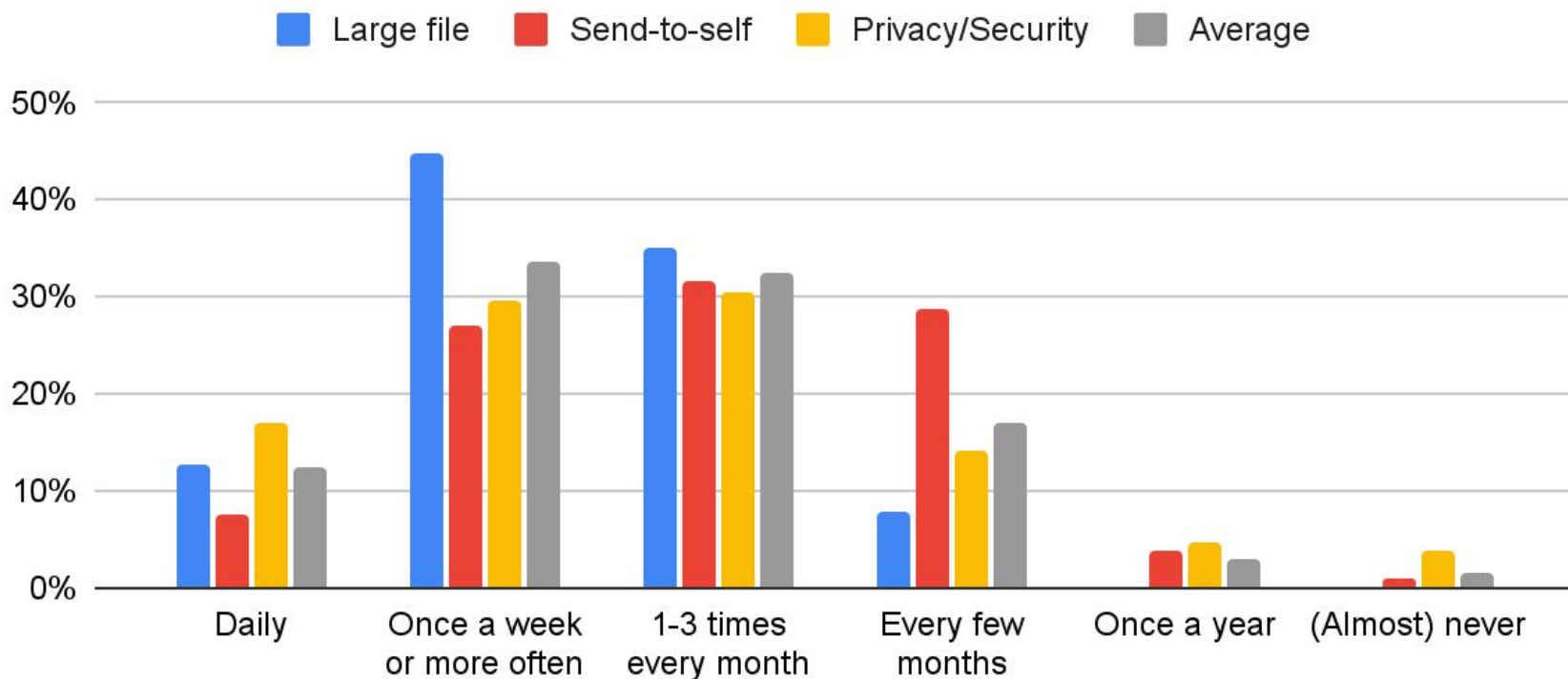
All open answers here [link removed].

Large file senders send large files at least once a week

But sending large files also a common use case for other profiles
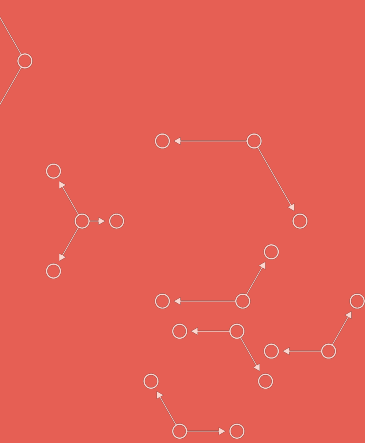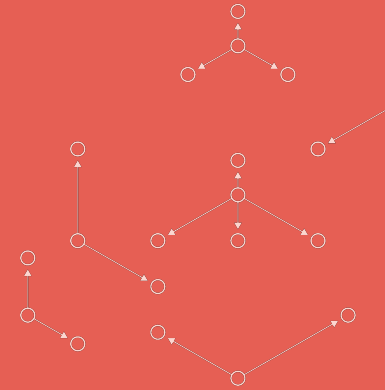
Large file transfers: frequency

How often do you send large files (>25 MB) to others or to yourself?

(This can be using a file transfer service or otherwise, such as email, messaging apps or cloud
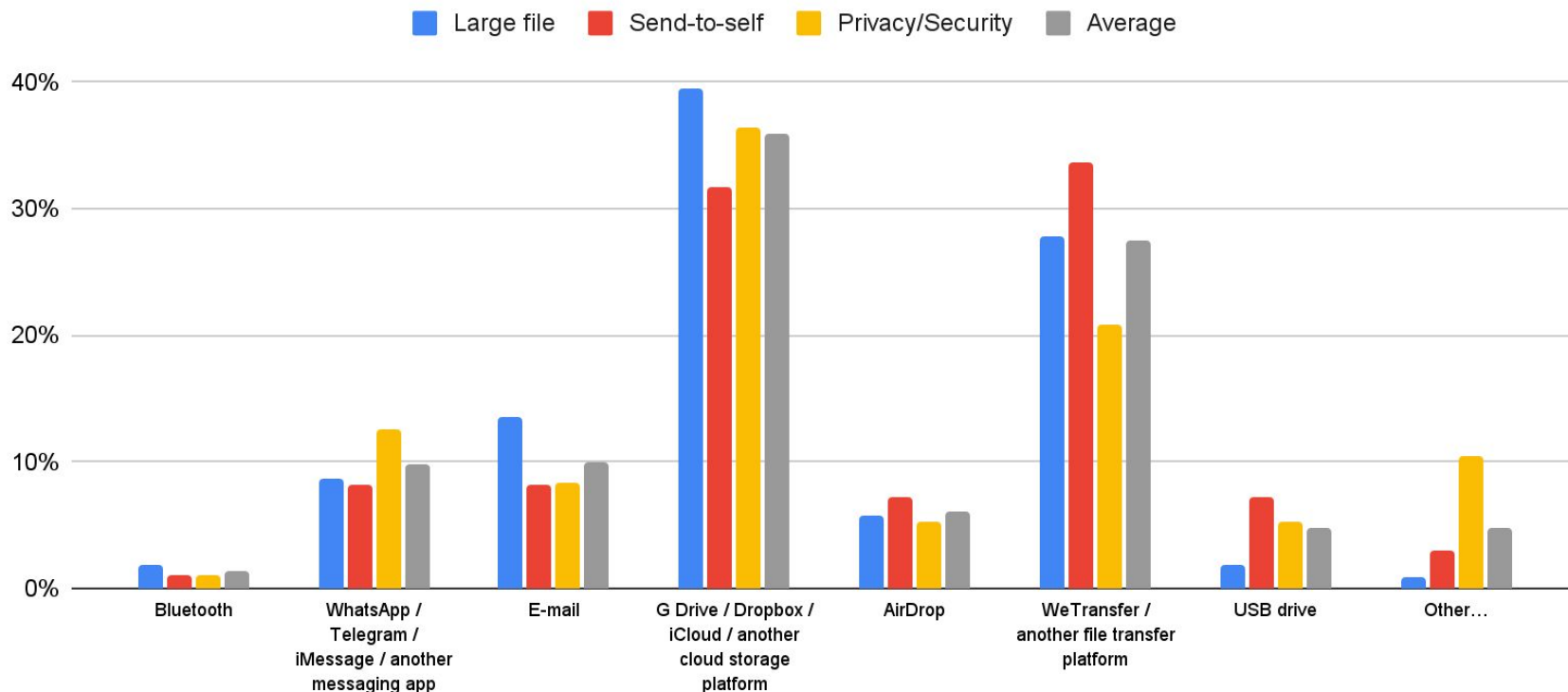
Large file transfers: narrower tool choice

WeTransfer and cloud storage platforms are key competitors

Large file transfer: tools

What tools/apps do you use the most to send large files to others or to yourself?

Legend: Large file, Send-to-self, Privacy/Security, Average

Categories: Bluetooth, WhatsApp / Telegram / iMessage / another messaging app, E-mail, G Drive / Dropbox / iCloud / another cloud storage platform, AirDrop, WeTransfer / another file transfer platform, USB drive, Other…

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# Q023: Can you tell us for what purpose you send large files?

(For example, so that my family can see videos I make; or sending design files to my clients so they can review them.)

All open answers here [link removed].

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**Sending files with privacy & security is a prevalent desire across profiles**

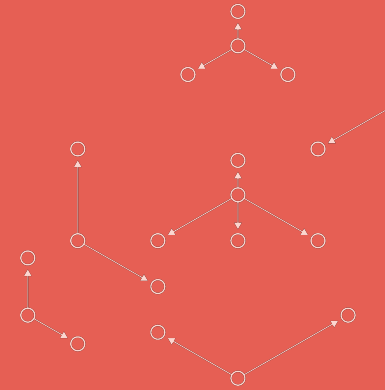# Private/secure file transfers: frequency

How often do you want to send files in a way that is extra secure or privacy-sensitive?

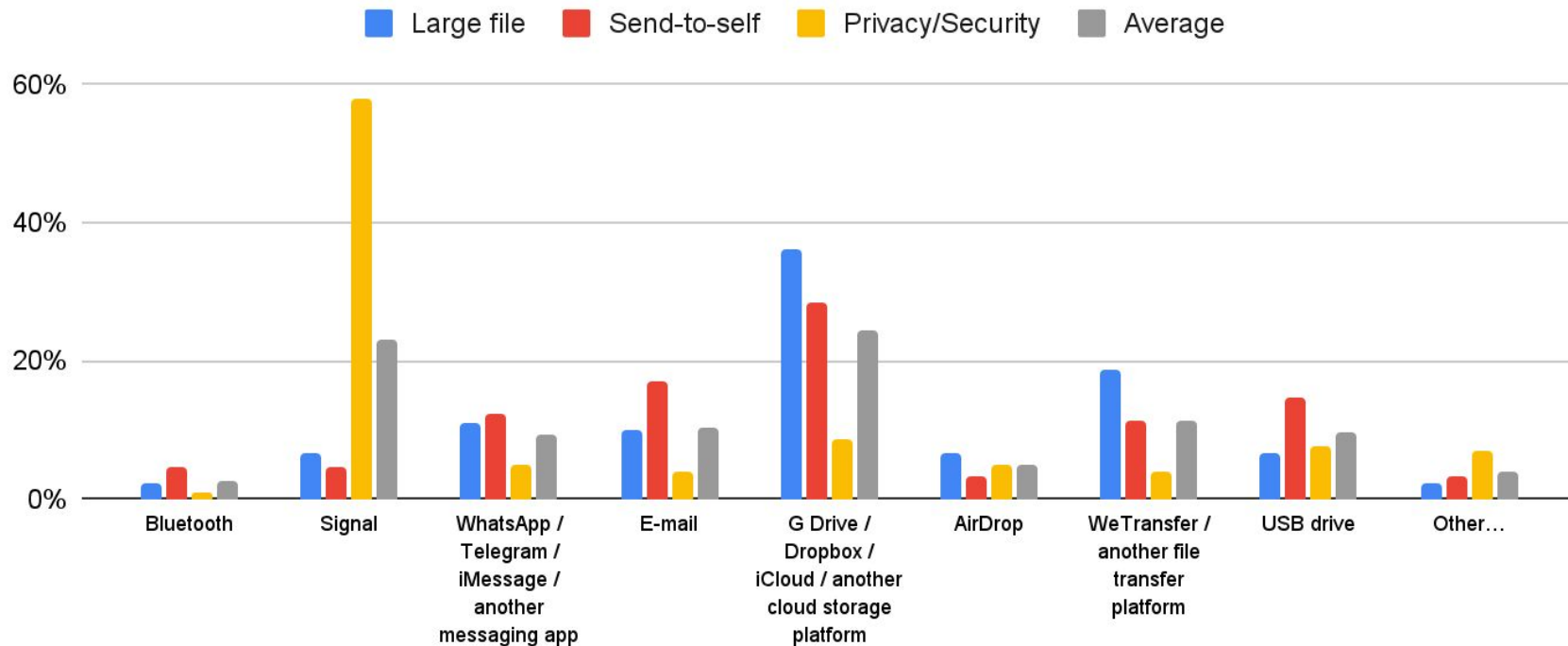Legend: Large file (blue), Send-to-self (red), Privacy/Security (yellow), Average (gray)
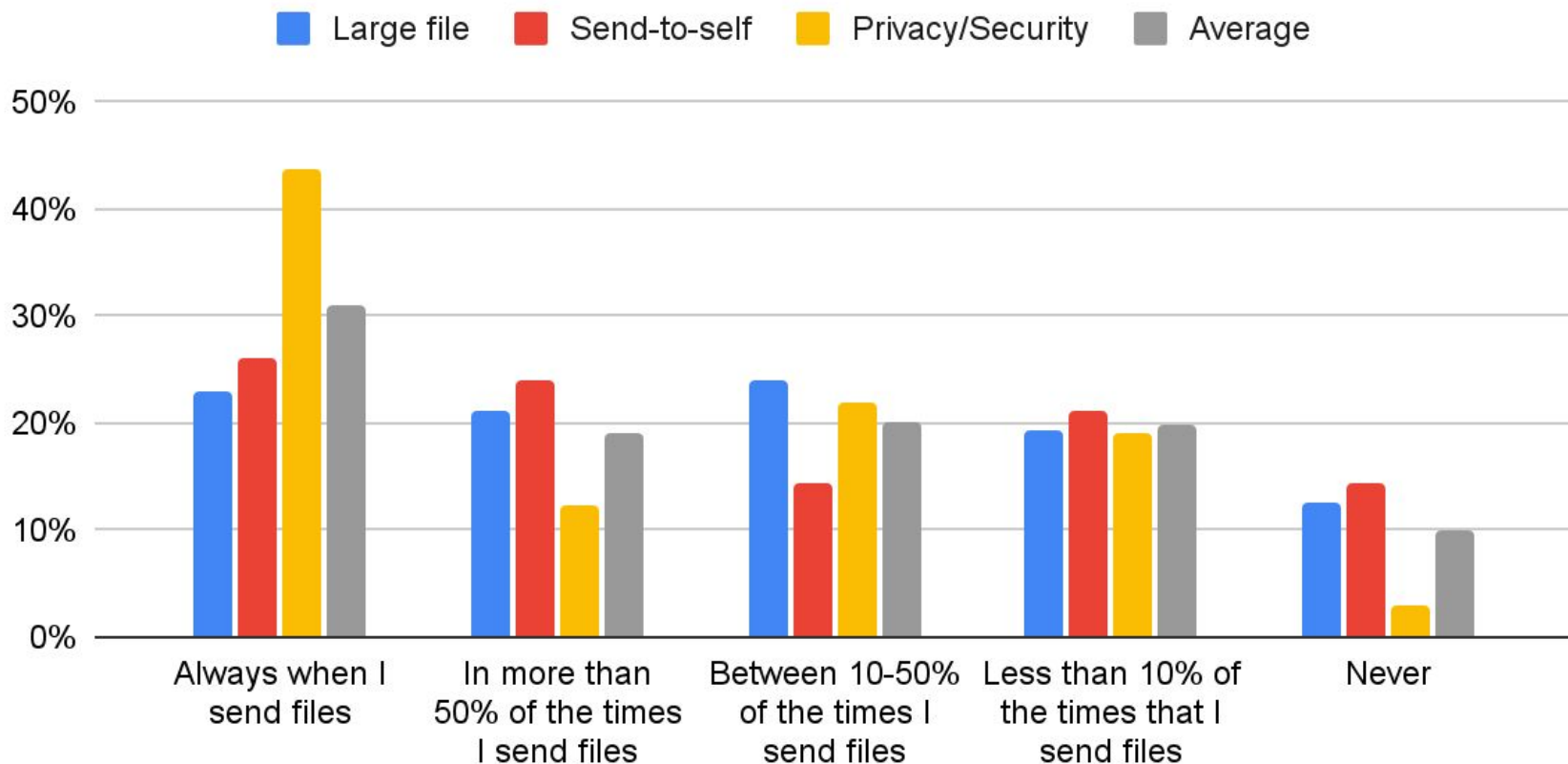
Signal is the primary tool for privacy/security-minded people, when sending files with privacy in mind.

Otherwise the tool choices for sending with privacy/security are diverse.
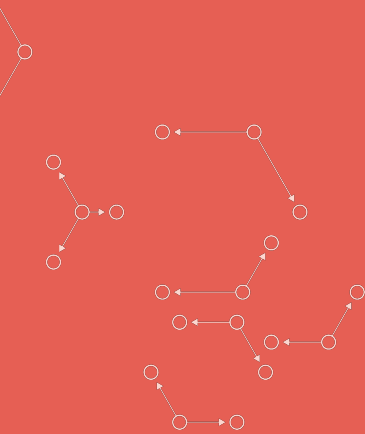
Private/secure file transfer: tools

What tools/apps do you use the most to send files in a way that is extra secure or privacy-sensitive?

Legend: ■ Large file ■ Send-to-self ■ Privacy/Security ■ Average

Categories: Bluetooth, Signal, WhatsApp / Telegram / iMessage / another messaging app, E-mail, G Drive / Dropbox / iCloud / another cloud storage platform, AirDrop, WeTransfer / another file transfer platform, USB drive, Other…

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Q033: Can you tell us for what purpose you want to send files in a way that is especially secure/private?

(For example, 'medical information to my doctor that I don't want others to see'; or 'I always want to keep my files private'. You can also write 'this is private' or leave empty if you prefer not to share.)
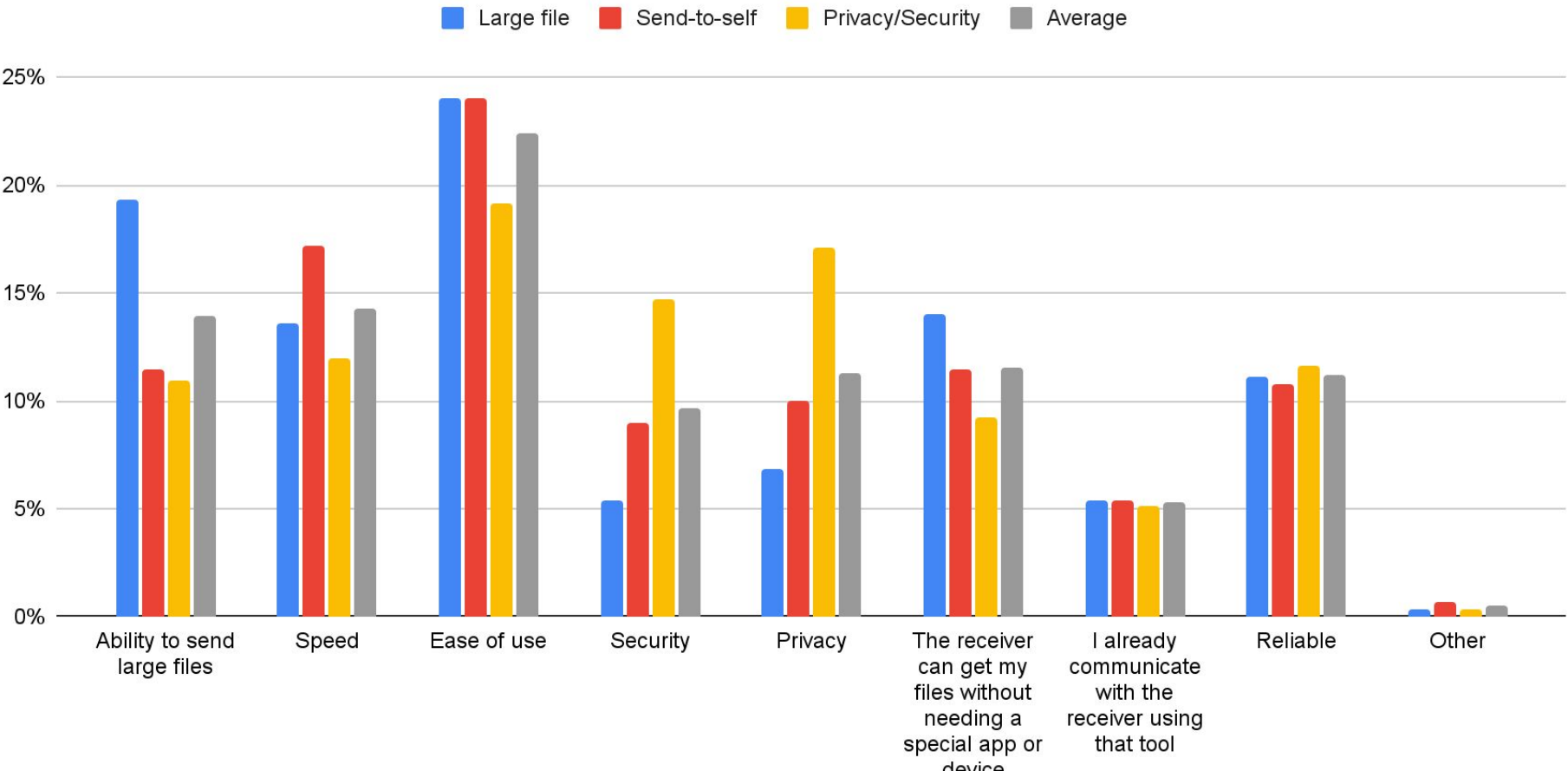
All open answers here [link removed].

Ease of use, speed and ability to send large files liked best about <u>current</u> tool choices
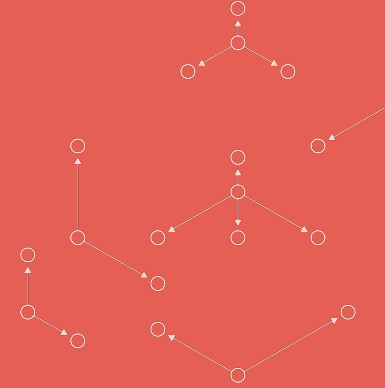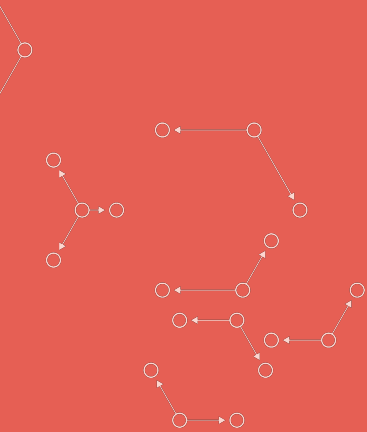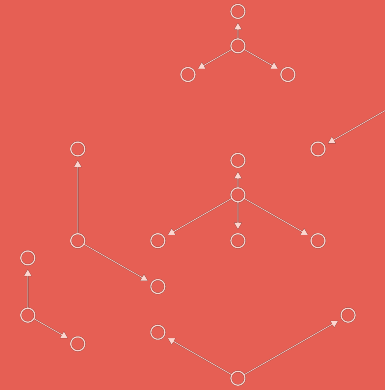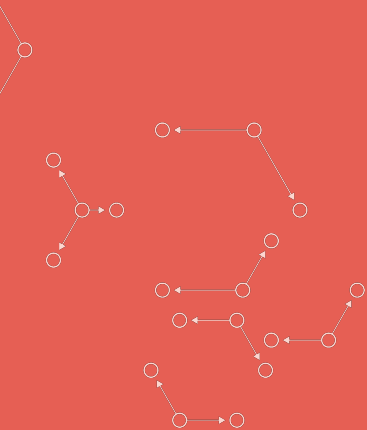
Like most about current methods

What is it that you like most about your current methods to send files to others or yourself (max. 3 answers)
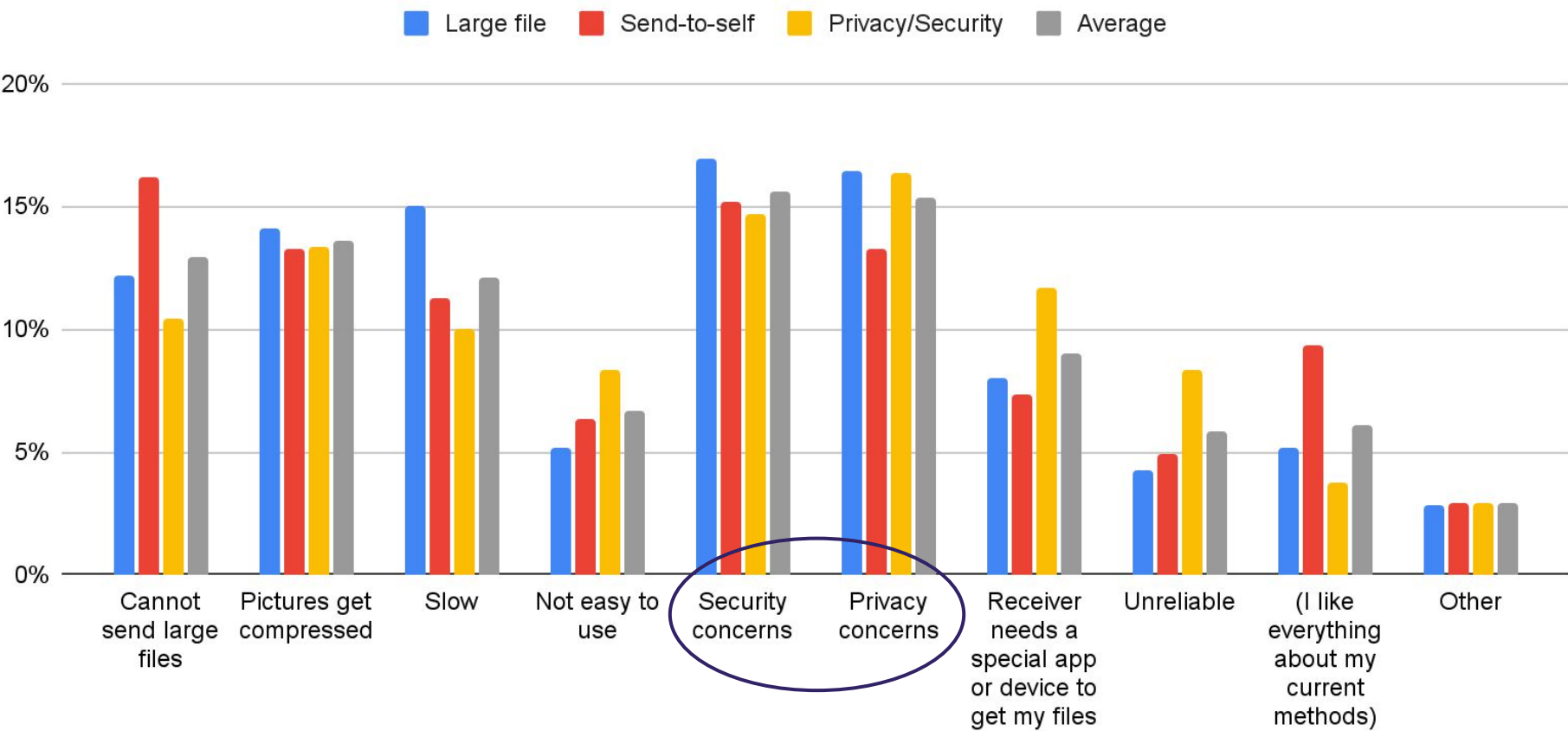
Main perceived disadvantages of <u>currently</u> used tools: Privacy & security concerns (!), inability to send large files and slowness
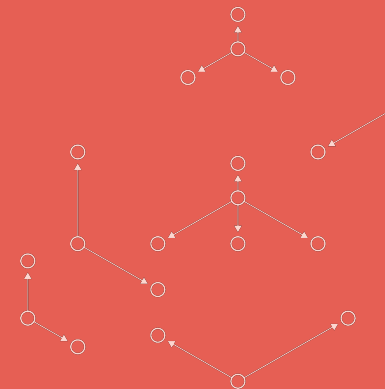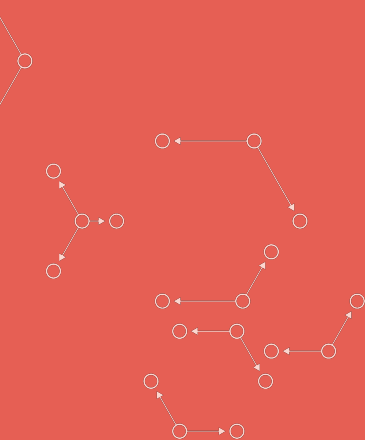
Like least about current methods

What is it that you like least about your current methods to send files to others or yourself? (max. 3 answers)

When it comes to <u>desires</u> about file transfer services, top priorities are:
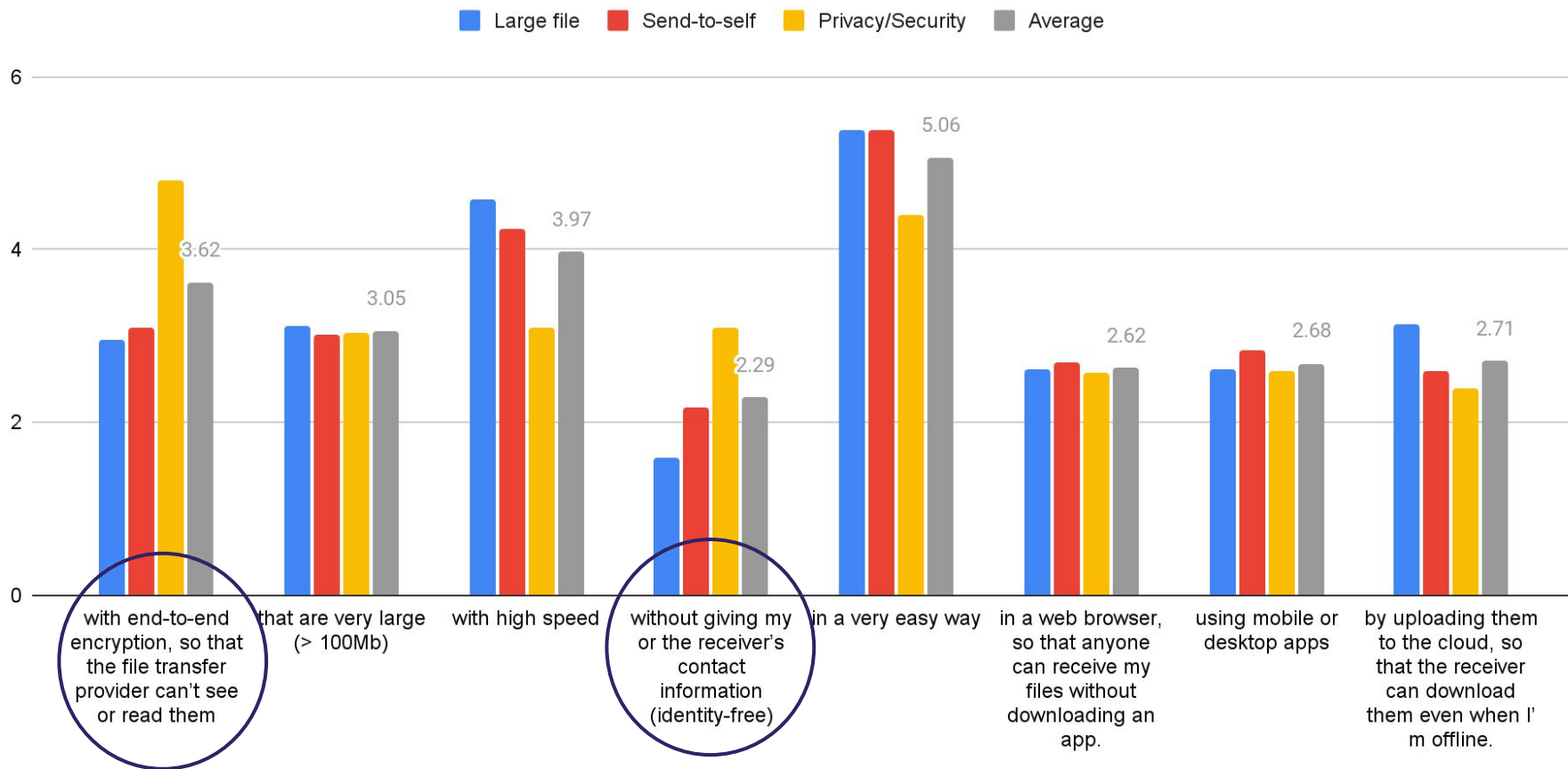
**Ease of use,
speed, and
end-to-end encryption**

but...

What is most important to you in a file transfer service? [ranking, higher is better]

I want to send files...

Legend: Large file · Send-to-self · Privacy/Security · Average

Categories and Average values:
- with end-to-end encryption, so that the file transfer provider can't see or read them — 3.62
- that are very large (> 100Mb) — 3.05
- with high speed — 3.97
- without giving my or the receiver's contact information (identity-free) — 2.29
- in a very easy way — 5.06
- in a web browser, so that anyone can receive my files without downloading an app. — 2.62
- using mobile or desktop apps — 2.68
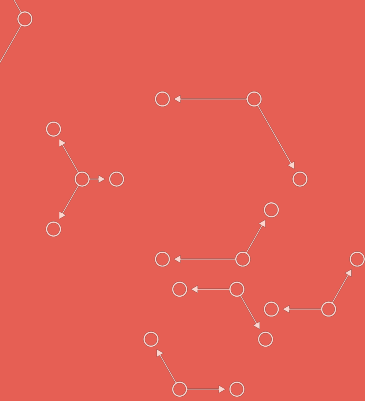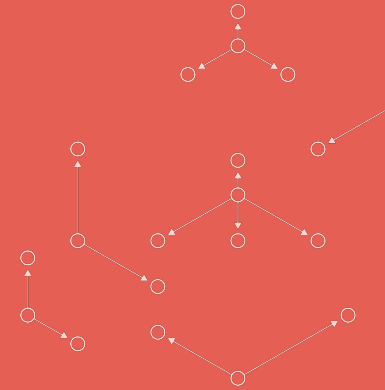- by uploading them to the cloud, so that the receiver can download them even when I'm offline. — 2.71

When it comes to willingness to pay

Large file transfers are a higher priority.

Speed, **ease of use** (can be seen as a bare minimum), and **end-to-end encryption** follow after.
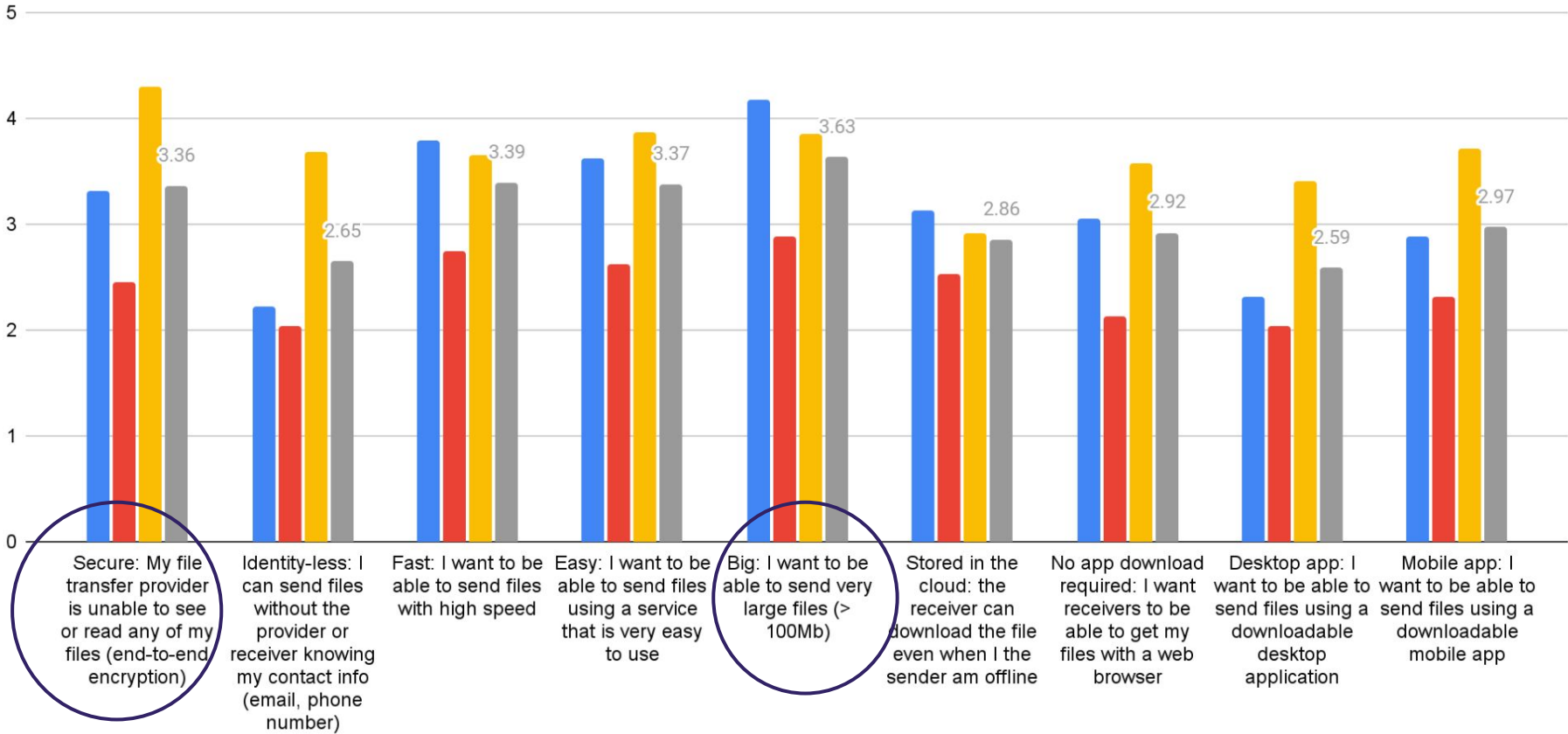
Also:

Privacy/security-minded people overall willing to pay the most per feature

For the following features, list how much extra you would be willing to pay for them? (per month, in €)

Legend: Large file (blue) · Send-to-self (red) · Privacy/Security (yellow) · Average (gray)

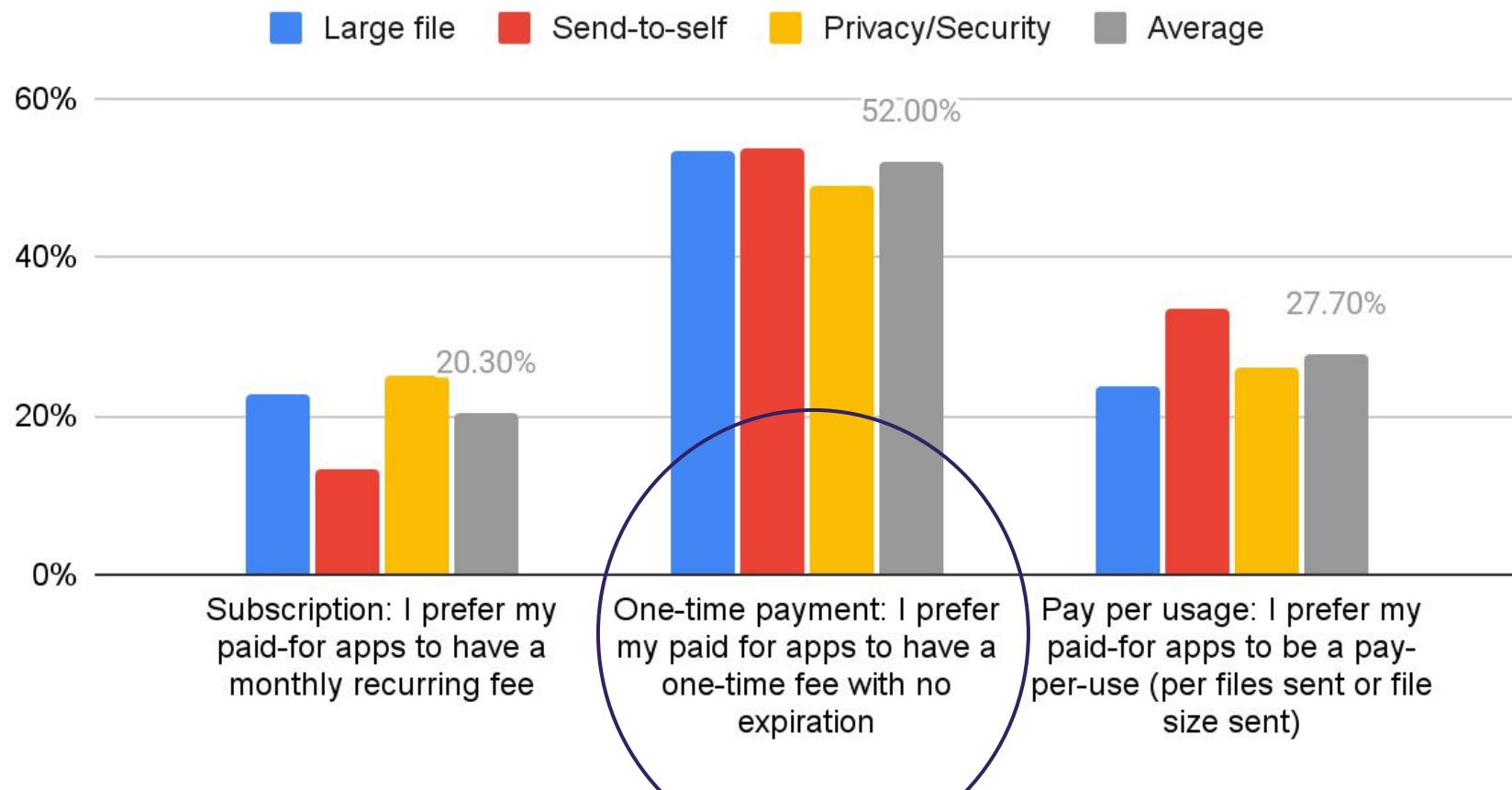| Feature	Large file	Send-to-self	Privacy/Security	Average
Secure: My file transfer provider is unable to see or read any of my files (end-to-end encryption)	3.31	2.46	4.29	3.36
Identity-less: I can send files without the provider or receiver knowing my contact info (email, phone number)	2.23	2.03	3.68	2.65
Fast: I want to be able to send files with high speed	3.79	2.75	3.65	3.39
Easy: I want to be able to send files using a service that is very easy to use	3.61	2.63	3.87	3.37
Big: I want to be able to send very large files (> 100Mb)	4.17	2.89	3.85	3.63
Stored in the cloud: the receiver can download the file even when I the sender am offline	3.12	2.52	2.92	2.86
No app download required: I want receivers to be able to get my files with a web browser	3.05	2.13	3.58	2.92
Desktop app: I want to be able to send files using a downloadable desktop application	2.32	2.03	3.40	2.59
Mobile app: I want to be able to send files using a downloadable mobile app	2.89	2.31	3.71	2.97

02.2

Payment

Subscription payment model is unpopular

One-time payment is most favored.

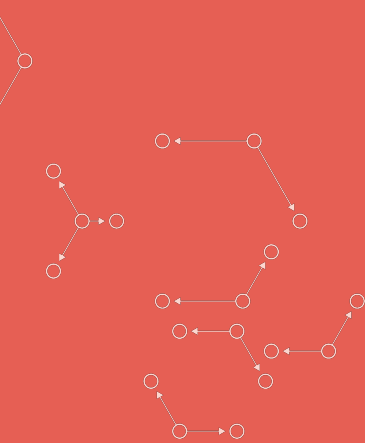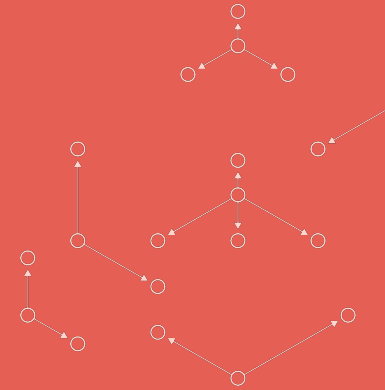Open comments were also critical about subscription model.
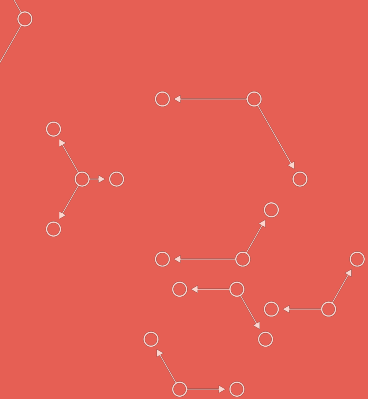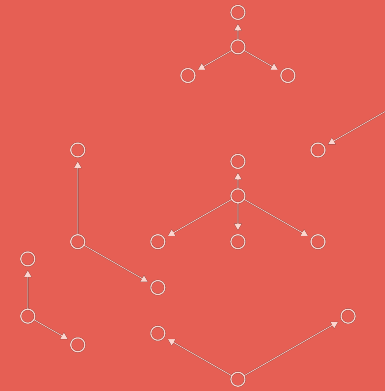
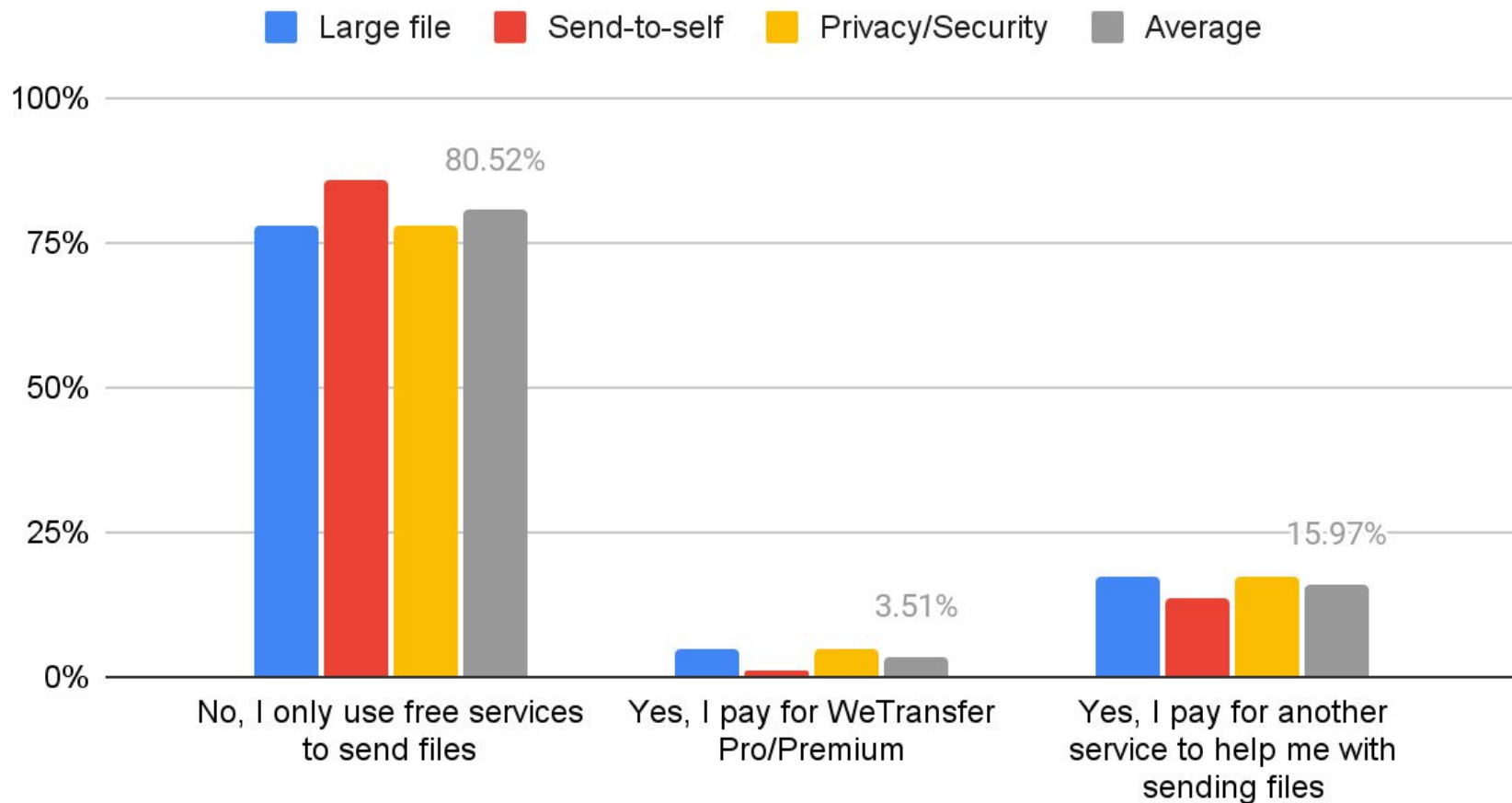# When it comes to paying for a file transfer product or service, what would be most appealing to you?

Legend: ■ Large file ■ Send-to-self ■ Privacy/Security ■ Average

Subscription: I prefer my paid-for apps to have a monthly recurring fee	One-time payment: I prefer my paid for apps to have a one-time fee with no expiration	Pay per usage: I prefer my paid-for apps to be a pay-per-use (per files sent or file size sent)
20.30%	52.00%	27.70%

**~20% of participants pay for a service that helps them with file transfers**

**~3.5% for WeTransfer Premium/Pro**
~16% for mostly cloud storage services

Are you currently paying for a file transfer service?

Legend: ■ Large file ■ Send-to-self ■ Privacy/Security ■ Average

- No, I only use free services to send files: **80.52%**
- Yes, I pay for WeTransfer Pro/Premium: **3.51%**
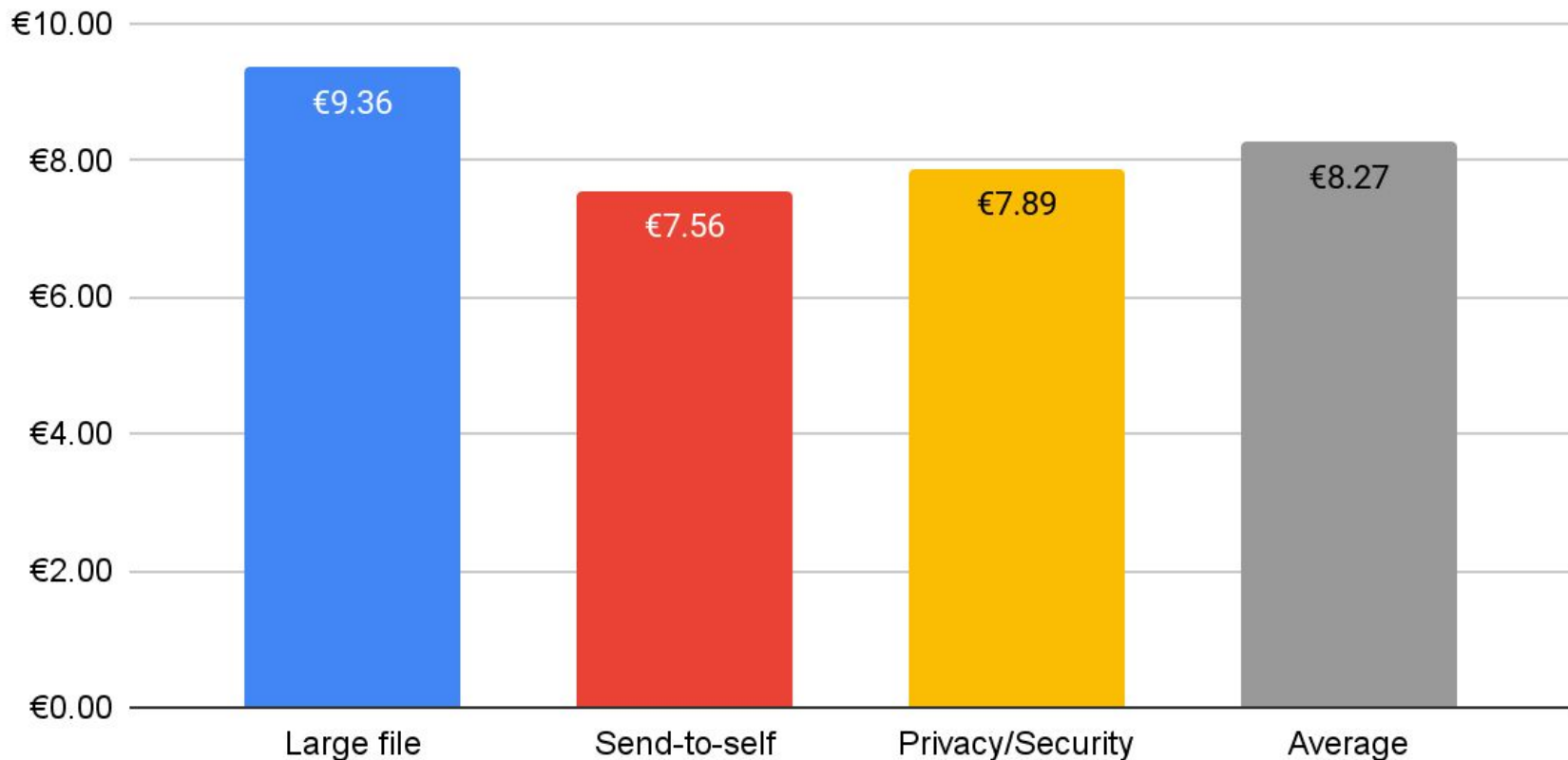- Yes, I pay for another service to help me with sending files: **15.97%**

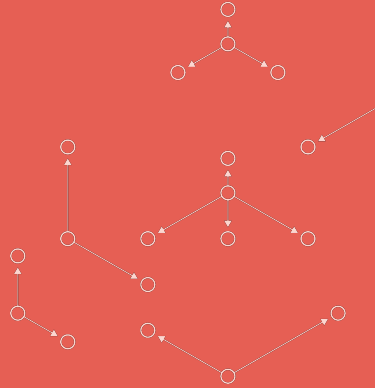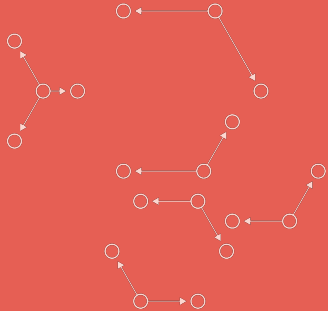**Of people paying for services that help them with file transfers, large-file-senders pay the most**
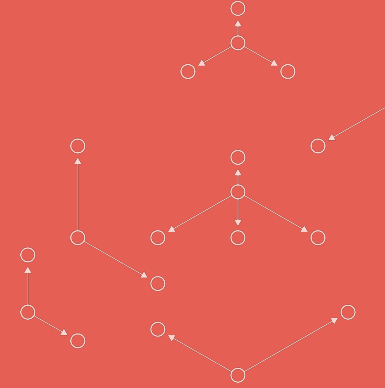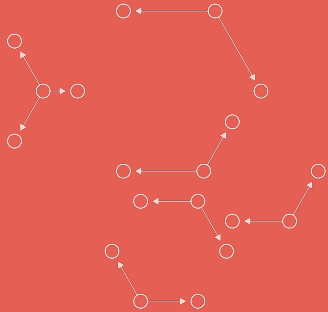
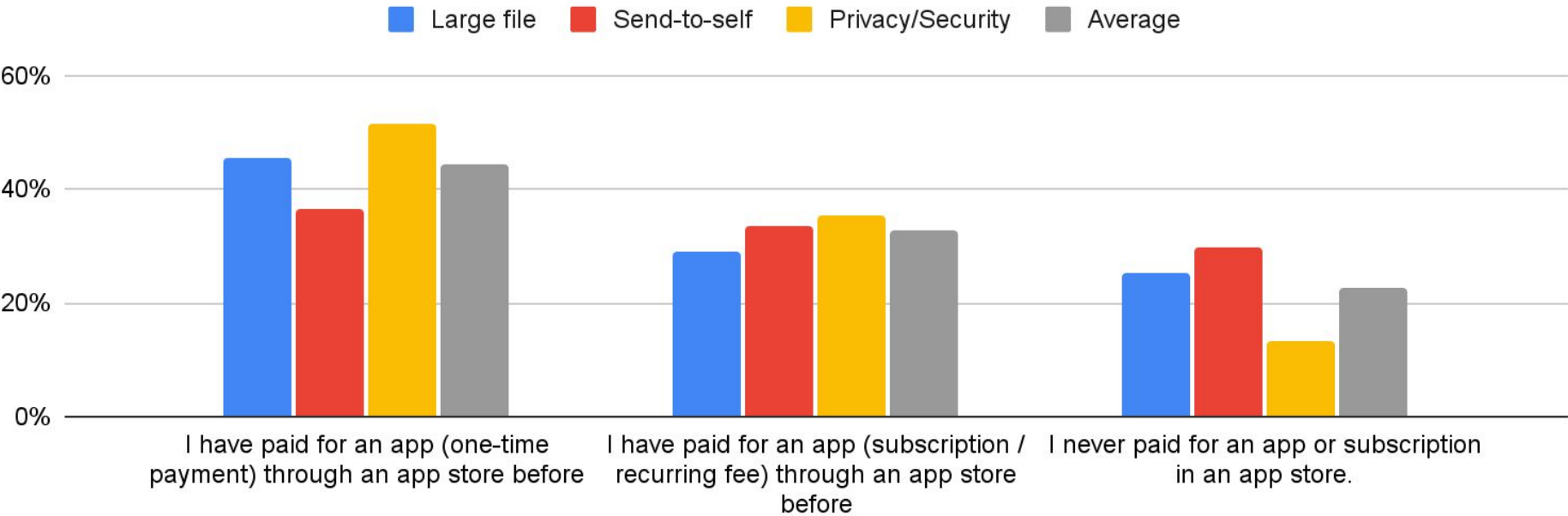# What are you currently paying to meet your file transfer needs?

Based on open answers by *only* those who currently pay for their file transfer needs.

Most people have paid for app (subscriptions) through an app store before

Have you bought an app or subscribed to an app using an app store?
(such as the Google Play store or Apple App store)

NOTE: Answers here between one-time payment and subscription answers are skewed as people could only choose one answer

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Most people are (very) comfortable with paying for apps through app stores.

Critical voices are mostly about having to pay at all, and about subscription models.
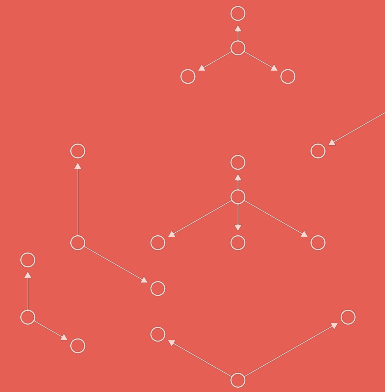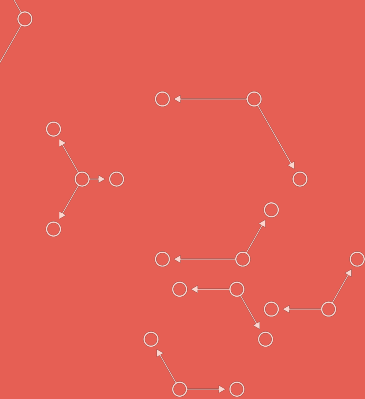
How comfortable are you with buying/subscribing to apps through an app store (such as the Google Play store or Apple App store)?

Legend: ■ Large file ■ Send-to-self ■ Privacy/Security ■ Average

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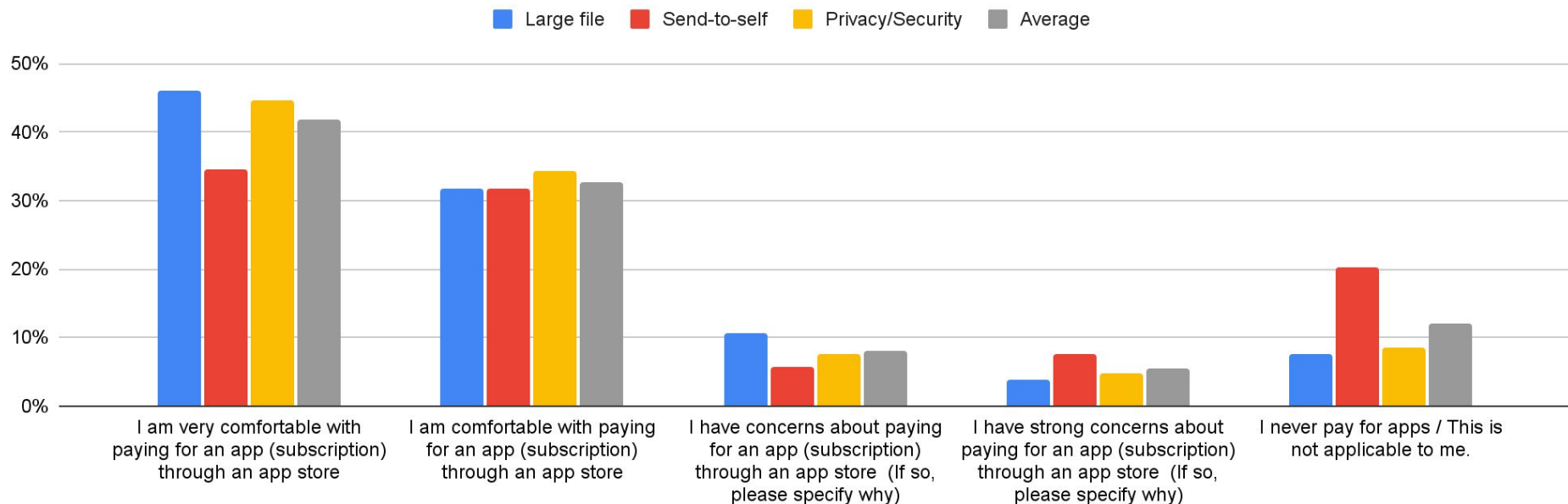
02.3

Product idea

This survey is about a new product idea described as follows:

File transfer service to send files with ease, speed and security.

- Files are never stored in the cloud, so both the sender and receiver need to be online at the same time during the file transfer.

- It is identity-less and quick: you do not need to sign up for an account or give your or the receiver's contact info to send a file.

- With end-to-end encryption, you keep your data private to yourself and the receiver. The provider cannot open your files.

- You can send very large files of up to 10 GB, through a website and mobile/desktop apps.

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Privacy/security-minded people and **Large-file-senders** stand out in highest interest and need for this product

Privacy/security-minded interest & need slightly higher
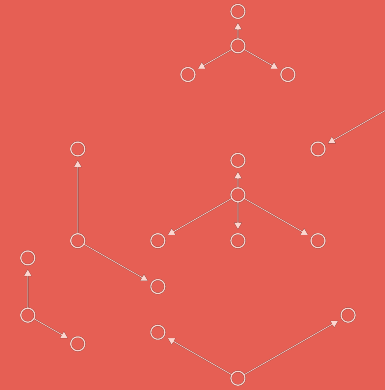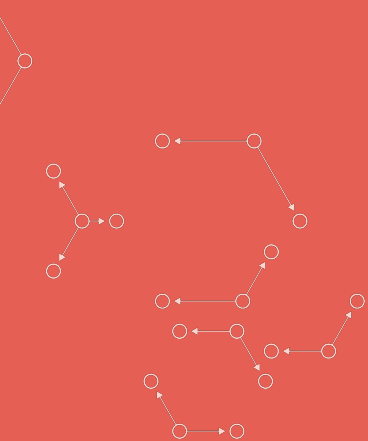
How interested would you be in buying/paying for this new file transfer service if priced within your budget?

Which of the following best describes your need for this product?

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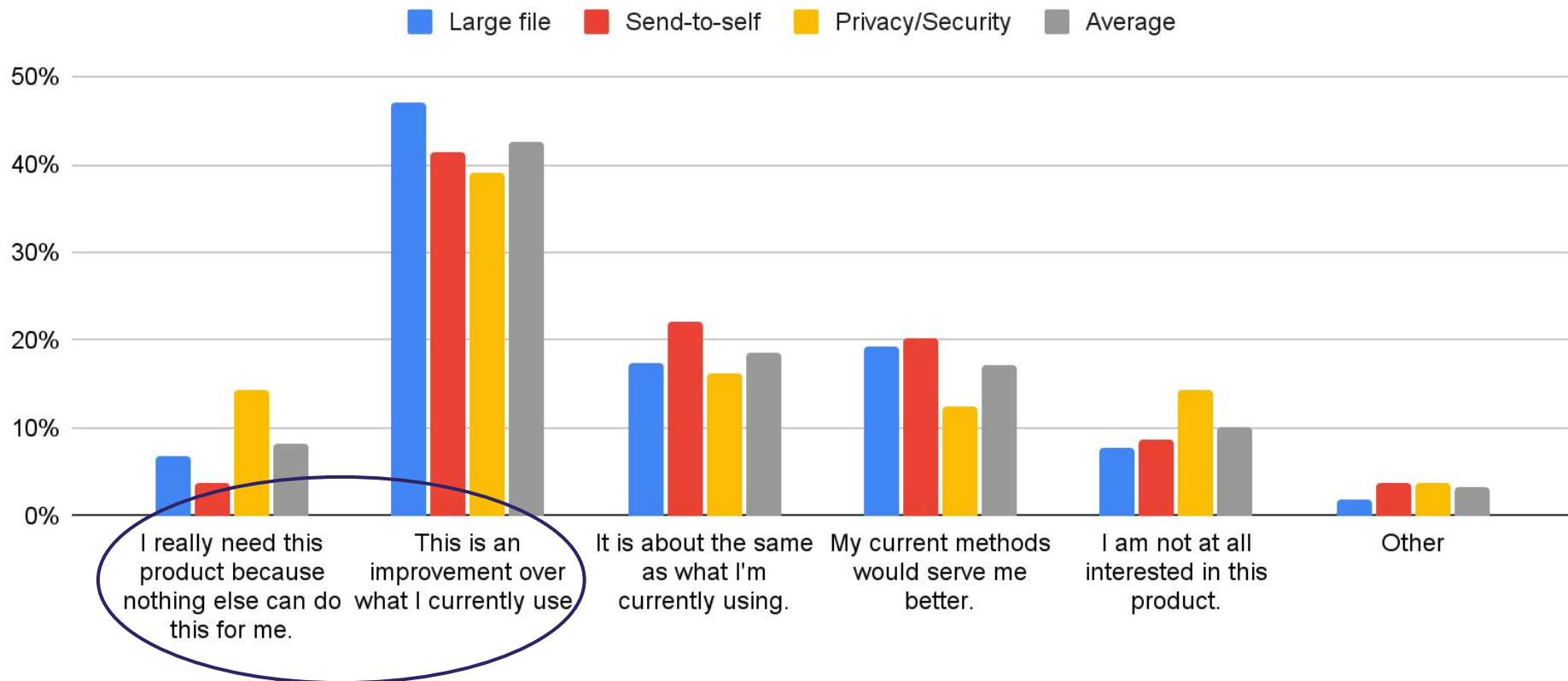
Main purposes for which people state they would want to use this product:

**Sending large files (especially photos/videos), send-to-self, and
sending files in a professional context.**

Only people who expressed clear interest were asked

Given your interest in this file transfer product, what would you most like to use it for?

Legend: ■ Large file ■ Send-to-self ■ Privacy/security ■ Average

What would you expect to pay for a new easy, fast and secure file transfer service, like the one described, per month? (Nearest €)
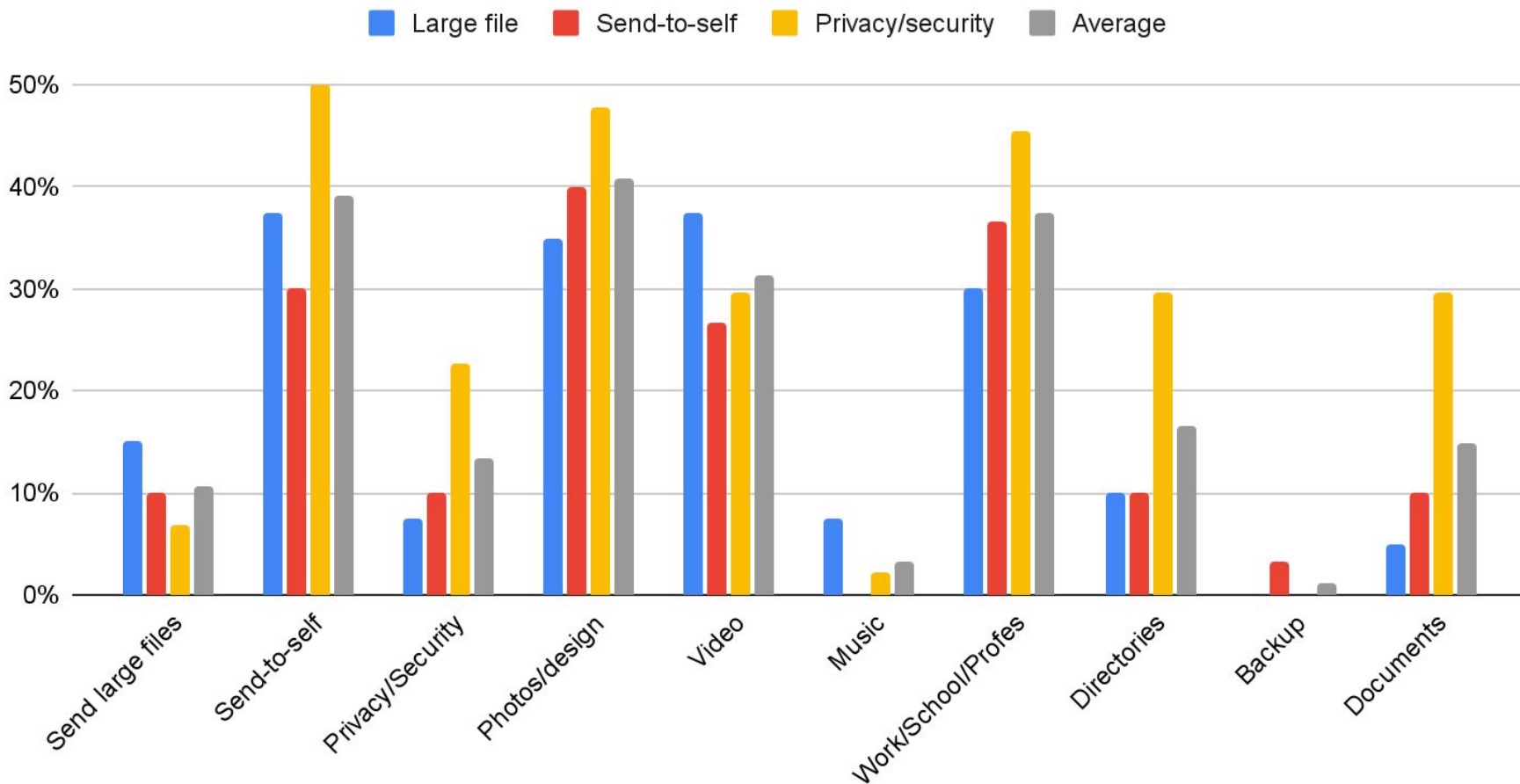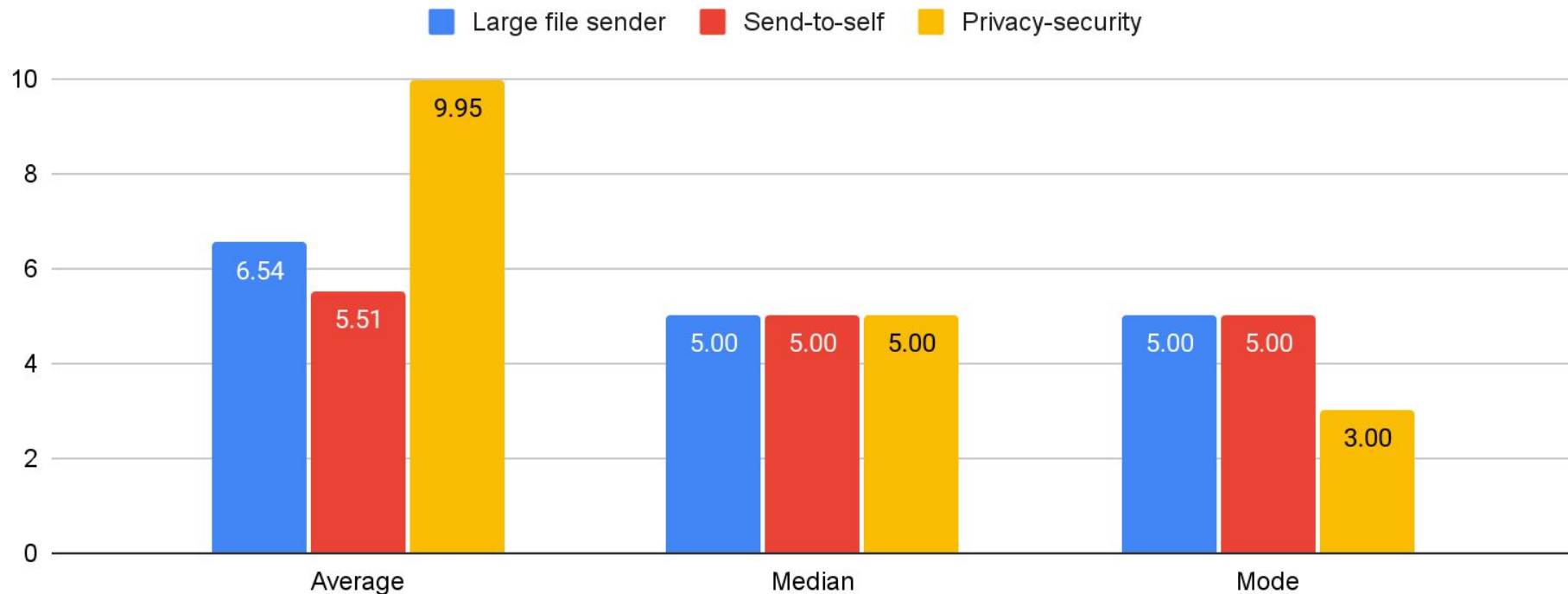
Legend: Large file sender | Send-to-self | Privacy-security

	Large file sender	Send-to-self	Privacy-security
Average	6.54	5.51	9.95
Median	5.00	5.00	5.00
Mode	5.00	5.00	3.00

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What would you expect to pay for a new easy, fast and secure file transfer service, like the one described, if it was a one-time purchase? (Nearest €)

Legend: Large file sender | Send-to-self | Privacy-security

	Large file sender	Send-to-self	Privacy-security
Average	71.16	33.41	86.26
Median	20.00	18.00	50.00
Mode	50.00	10.00	20.00

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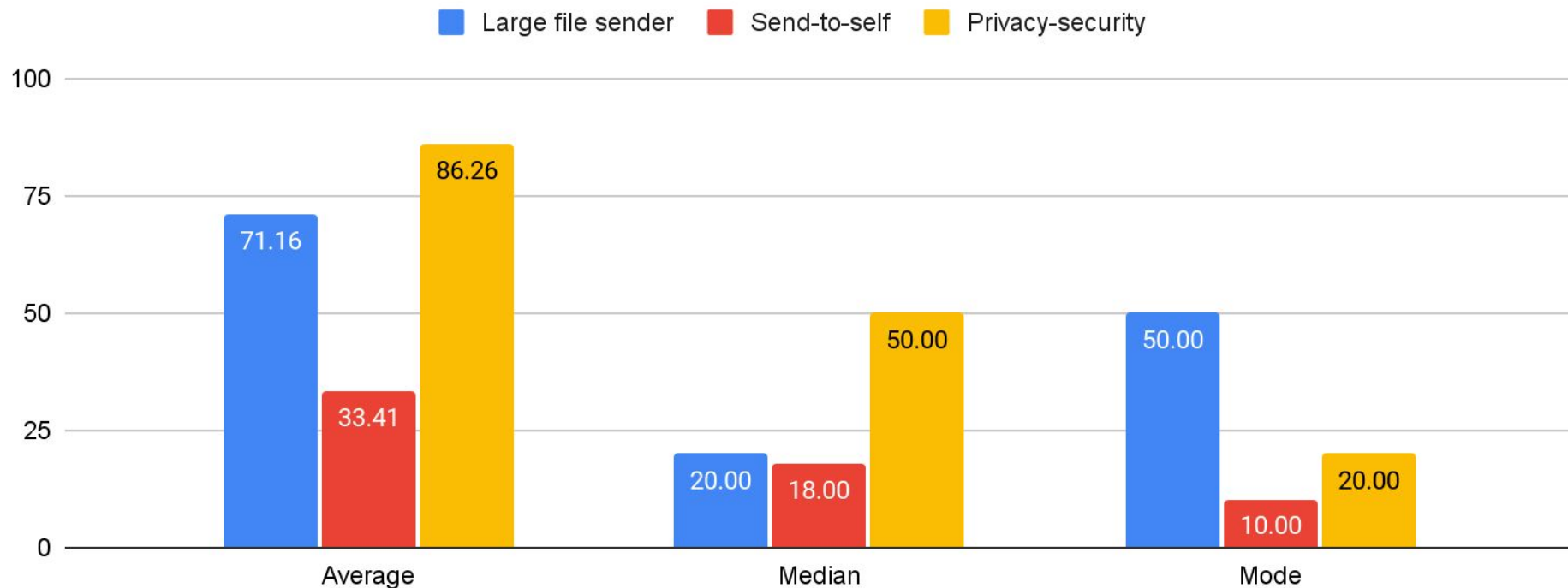
Willingness to pay is highest for large-file-senders and privacy/security-minded

Price within range of current spending habits

Van Westendorp price calculation can still be added
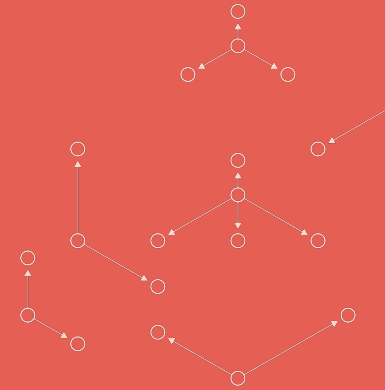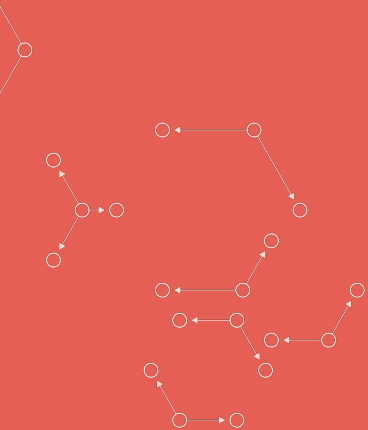
Willingness to pay (1)

At what price would the product begin to look way too expensive so that you would never consider buying it?

If paying a monthly fee in Euro

- Large file: 10.83
- Send-to-self: 8.78
- Privacy/Security: 11.92
- Average: 10.51
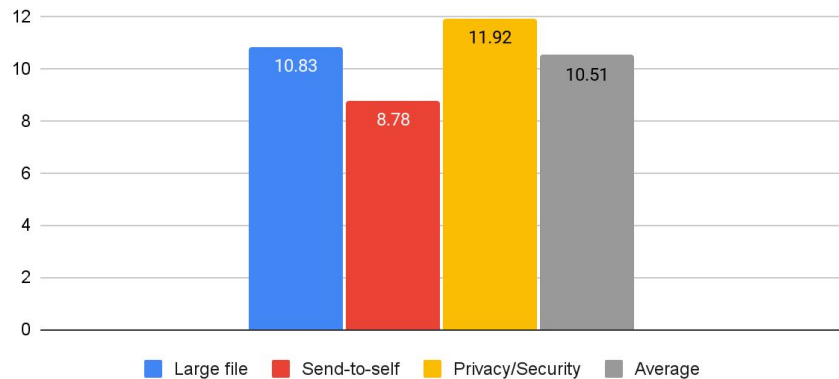
At what price would the product begin to look (too) expensive, but you'd still consider buying it

If paying a monthly fee in Euro

- Large file: 9.4
- Send-to-self: 7.22
- Privacy/Security: 9.07
- Average: 8.56

Winden B2C survey - September 2022

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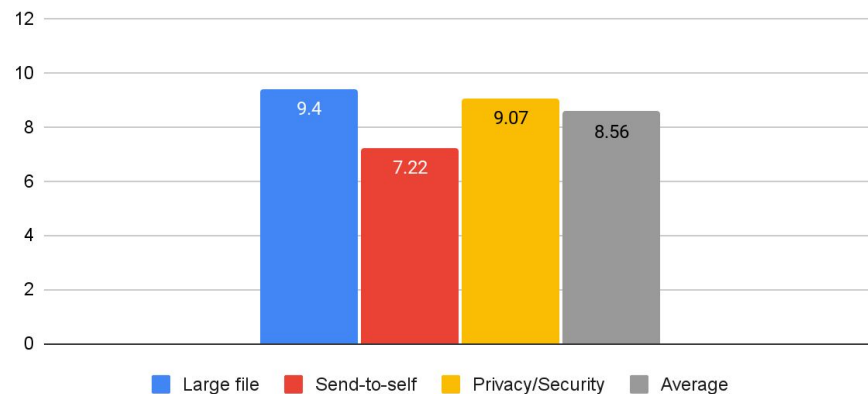
Willingness to pay (2)

At what price would this product be a really good deal? (You'd buy it right away.)

If paying a monthly fee in Euro
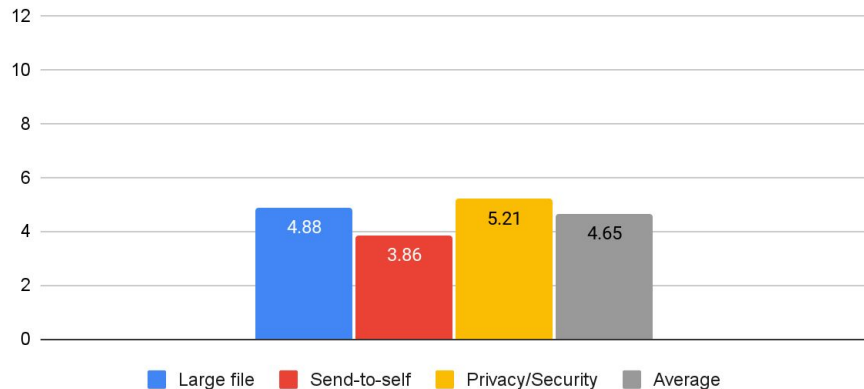
At what price would this new product begin to look so inexpensive or cheap that you wouldn't trust it?

If paying a monthly fee in Euro

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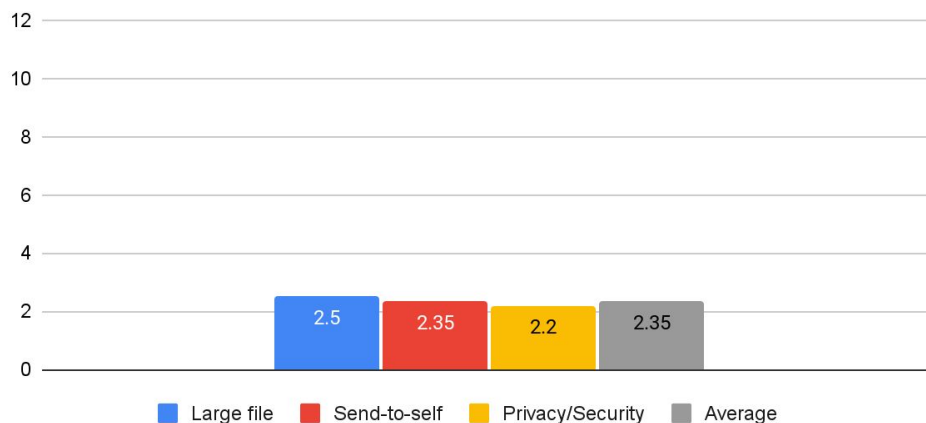
02.4

Other results

Sending multiple files at once is a key need

Sending single/multiple files

What best describes your most typical experience with sending files over the past month?
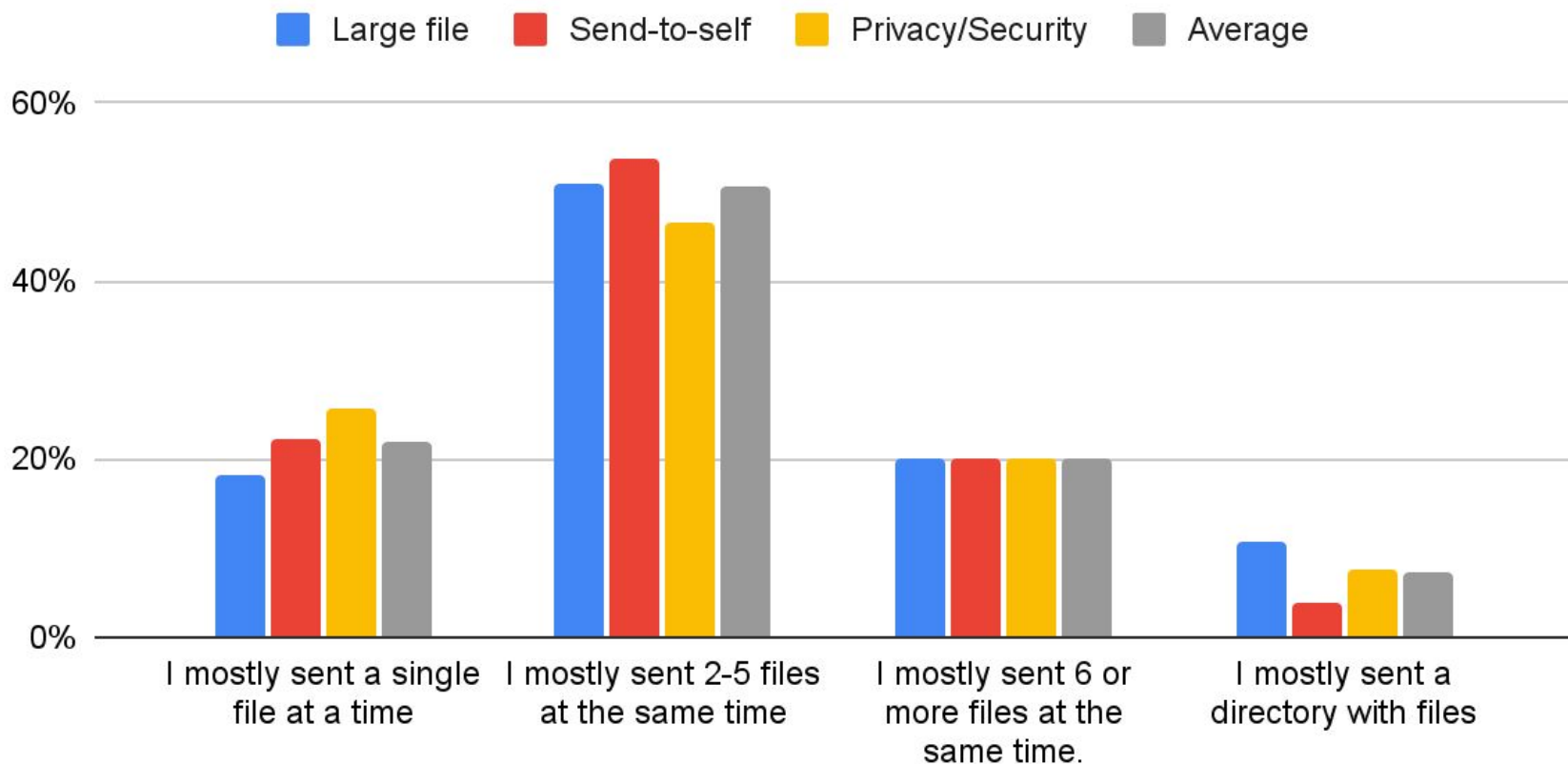
Sending large files is usually below <2GB

Large file transfers: size

What is a typical file size you send when sending large files?
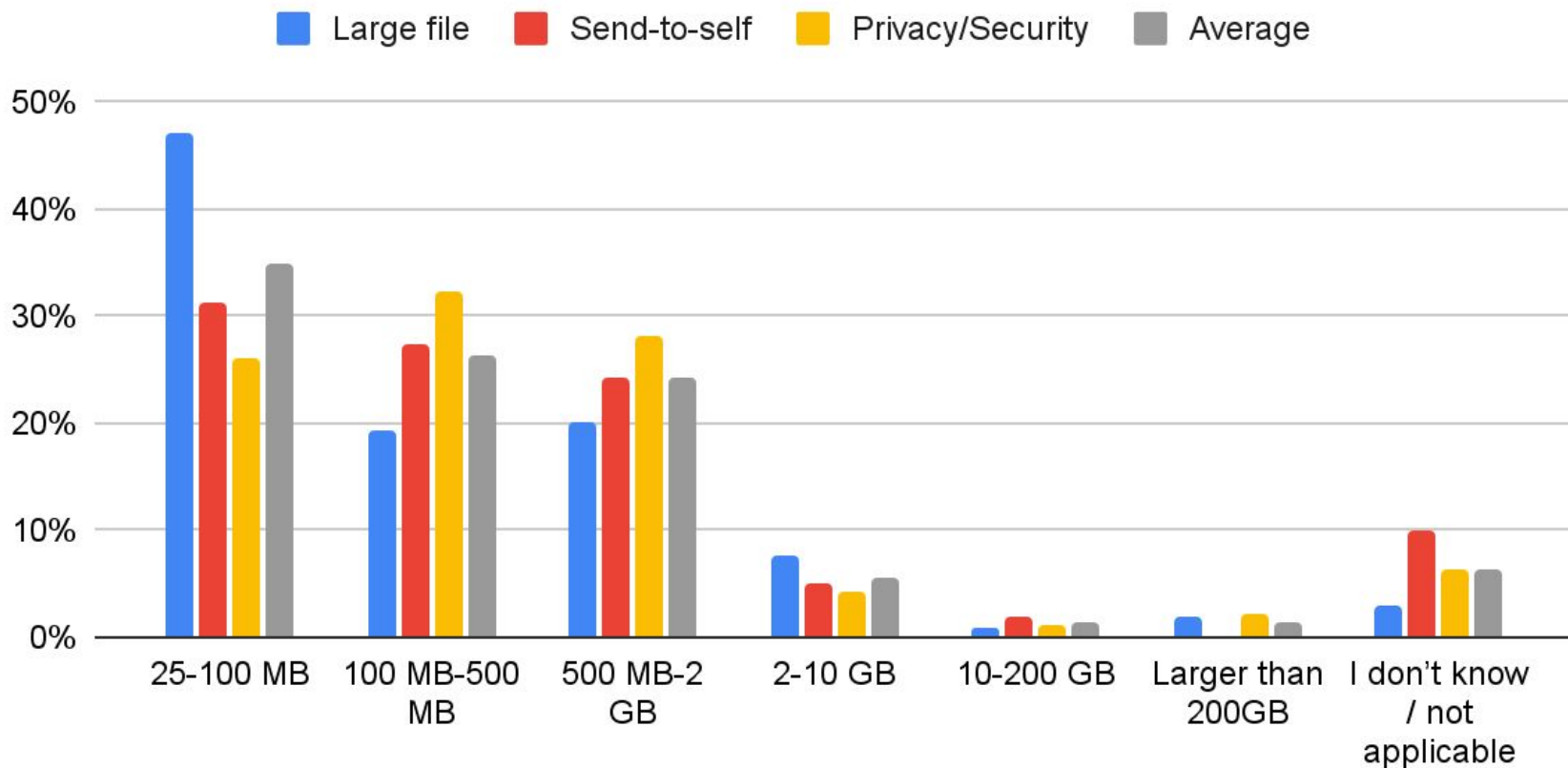
"Sounds like a good idea but since both parties have to be online at the same time it's more like an AirDrop but for far distances. Since both have to be online it would be a rare use case for myself."

Participant

"For big files, it will probably be a great addition to the digital art, animation, 3D industry. Also probably for the video-editing industry too. Files are usually very big."

Participant

Final thoughts/comments shared after completing the survey

Recurring responses included:

- Top item: Concerns about needing to be online at the same time / the product not being useful to people for that reason
- Concerns about subscription model
- Concerns about having to pay

- Enthusiasm about the product for sending large files
- Enthusiasm about the product for sending files with privacy/security

All responses here.

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03

Key findings

Lacking satisfaction on relevant file transfer use cases

Four described use cases score an average below 'Satisfied', suggesting an openness to change:

Sending simple files to someone (for example, pictures)

Sending a link to someone

→ Sending large files to someone (for example, long videos)

→ Sending files to yourself (between your devices)

→ Sending files securely & privately

→ Sending a password for logging in on a different device

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Key differentiators

Top things people like about current tools include:

- Ease of use
- Speed
- Ability to send large files

Top things people do not like about current tools include:

- Privacy & security concerns
- Pictures getting compressed / not being able to send large files
- Slowness

This partly aligns with our findings from 2020 research, but with our narrower target groups the focus seems to more strongly surface privacy/security concerns.

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Key target groups identified

1. **Privacy/security-minded people**
   a. Highest interest
   b. Highest need
   c. Willingness to pay the highest fee

2. **Large-file-senders** followed closely behind
   a. Only slightly lower on interest and need
   b. Similar willingness to pay fee
   c. Higher current spending on file transfer needs

Our third hypothesized target group was Send-to-selfers.
They were not a very pronounced group, and were substantially less interested.

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Key target uses identified

1.   **Send large files**

     -   To oneself (photos & videos)

     -   To friends & family (photos & videos)

     -   Professionally (especially creative industries stood out in answers)

2.   **Send-to-self** (can also be large files)

3.   **Send** (say) **anything** while being assured of privacy/security

This is based on stated desired uses for Winden by people interested,
and by key differentiators people are willing to pay for.

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Use: Send-to-self is a very common use case

Send-to-self is a common use case.

Most participants across profiles do this at least once a week

This **ties in particularly well with Winden**:

1. High likelihood of sender/receiver being online at the same time

2. Being able to transfer the code (having the out of band communication channel)

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Use: Privacy/security matters to all

Across use cases, privacy/security concerns ranked highest as people's biggest dislike of tools they currently use.

However, when asking about what people would want to send with extra privacy/security, answers suggested it was often not about specifically sensitive data.

Rather, it was about an expectation that all file transfers should be private.
So the use case is *all* data, not sensitive data alone.

(Winden–always private file transfer.)

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Use: Synchronous file transfers are a limitation

Comments at the end of the survey frequently categorized Winden as unsuitable to the participant, because it requires sender and receiver to be online at the same time.

However, in ranking questions, asynchronous file transfers did *not* come out as a major need.

A few hypotheses as to why:

- While this requirement *does* make it a no-go to many, to many others it does not.
- How impactful needing to be online at the same time is, may not be evident.
- One of the primary uses for which people envision using Winden is send-to-self, for which synchronous file transfers are a natural fit.

More research can help further identify when synchronous file transfers are suitable.

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Payment model

App stores are suitable distribution / payment portals

- Most people (77%) have paid for apps using an app store before.
- And (74%) are (very) comfortable with buying/subscribing for apps through an apps store.

Strong preference for one-time payment model

- 20% favored a subscription / monthly payment model;
- 52% a one-time payment model;
- 28% a pay-per-use model

Answers to open questions were repeatedly negative about a subscription model.

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The (paid) competition

People use many tools to send files, ranging from cloud storage platforms to dedicated file transfer platforms, and from USB sticks to AirDrop and email.

However, when it comes to what people are currently *paying for* to meet their file transfer needs, this is largely divided across WeTransfer and cloud storage platforms (mainly iCloud and Google Drive).

This also means that our market size is bigger than initially estimated based on WeTransfer users alone.

With cloud storage, people also get other benefits beyond file transfer, for example backup. Further research on this would be useful.

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Summary

- The survey shows potential for Winden as a consumer product.

- There is interest, need and willingness to pay by:
  Privacy/security-minded people, with large-file-senders following closely behind.

- Market size, based on participant screening, is small but significant for privacy/security-minded and large for large-file-senders.

- Asynchronous file transfer needs will reduce that market size.

- Key activities people would use Winden for:
  sending large files, send-to-self, and sending any file with privacy/security.

- Subscription payment model is unpopular, one-time payment preferred.

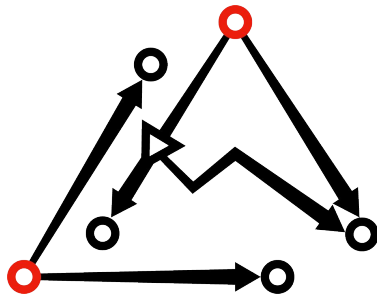- People are generally comfortable with app store payments/distribution.

Next steps

- Finalizing a sustainability plan to further explore Winden's B2C (and B2B) potential. Including:

  - Validated learnings from initial usage of Winden

  - Further user research:

    - within target groups, and identifying user personas for privacy/security-minded people and large-file-senders (can include people currently paying for WeTransfer or cloud storage; specific sub-groups, such as creative industry professionals)

    - use cases best served by synchronous file transfers

- Launching Winden

That's all folks!

Thank you.

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Other resources [links removed]

- Study plan

- Survey questions

- Aggregated statistics for not-open questions

- Answers to key open questions

- Drive folder with full survey results

- Previous research:

  - 2020 MW4ALL survey on file transfer needs & behavior
  - 2021 MW4ALL 2.0 foundational and usability study (pre-alpha)
  - 2021 MW4ALL 2.0 usability study (alpha)

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