ZIPZERO, the app giving consumers a fair monetary exchange for their data

As part of our quick fire questions series – or QFQs – we spoke to Marcin Walaszczyk, cofounder, CTO & COO of ZIPZERO about reconsidering advertising, communication between consumers and retailers and the cost-of-living crisis.

The collective experience _ZIPZERO_'s founders gained from previous ventures and roles was crucial to developing the company today.

When building my first Warsaw-based tech venture, I discovered that the complexity of tracking loyalty rewards across a vast range of businesses meant consumers were missing out on savings. And so, we developed an app that allowed consumers to redeem and track their rewards in one place; meanwhile, we offered partner retailers and brands access to a formidable Customer Relationship Management (CRM) and direct-to-consumer (D2C) marketing platform.

This led us to reconsider the role of advertising more generally. Last year, in the UK alone, marketers (including leading retailers & brands) spent a total of £26B on digital advertising – with most of this money going to Big Tech, including Google, Facebook, etc. The appeal behind these corporate giants is

that they collect consumer data, tracking our movements across websites and search histories to build a 'consumer profile' which they then target with adverts to stimulate our purchases. So, while Big Tech profits enormously from consumer data, the creators of this data – the consumer – have received no remuneration from its monetisation.

With ZIPZERO, we applied our experience both in building marketing platforms and consumer cash-saving apps to combat this unjust status quo. The emergence of the cost-of-living crisis as the paramount social and economic challenge of our lives ultimately confirmed the timeliness and value of our proposition. Consumers should receive a fair monetary exchange for their data and this added revenue stream is needed to bolster household finances more than ever.

Tell me about the business – what it is, what it aims to achieve, who you work with, how you reach customers and so on?

At its most basic level, ZIPZERO is a direct-to-consumer marketing platform; it is a communication channel between retailers or brands and consumers, which enables the former to directly reach the most relevant consumers. In return, the latter receive cash rewards from their everyday shopping which are redirected to their preferred utility bills.

ZIPZERO provides a far more ethical means for retailers and brands to advertise to consumers – precisely because the consumer is a part of the monetisation of *their* data and consents to sharing it. But we know that ethics alone won't change the marketing strategies used by companies for the best part of two decades.

That's why ZIPZERO offers an enhanced consumer understanding by learning from users' shopping habits. A user uploads their shopping receipts to ZIPZERO, allowing the platform to collect item-by-item, product-level, data (what they buy, how much for, and where from), meaning retailers can gain a full picture of a customer's shopping habits, from competitors as well as their own stores. This enables them to more effectively advertise by directly filtering to their target market (e.g. people who buy red jumpers) and communicating to them directly through the ZIPZERO platform.

We reach our customers through a wide range of means, including marketing campaigns and word-of-mouth. A large number of our users, however, have

discovered ZIPZERO organically through their own research – a real testament to the timeliness of our proposition.

Ultimately, ZIPZERO strives to strengthen the financial well-being of everyday consumers, a tool to facilitate fairer and more effective use of consumer data and, as its growth continues, to become a mass-market solution to the cost-of-living crisis.

How has the business evolved since its launch? When was this?

The business was originally launched at the end of 2019. But the ZIPZERO of then is quite different from today. As with any tech startup, the business has gone through various stages and developments in its early life. We've tested different rewards mechanisms and have streamlined our platform to better serve its users and, ultimately, meet a greater social mission.

Our official relaunch in December 2022 came at a time when people really needed help to combat soaring energy bills; that's why we decided to target the delivery of our cash rewards directly to user bills. As the cost-of-living crisis progresses and consumers brace for energy costs to rise once again, our offering becomes increasingly critical. Our growth to over 100,000 users – tens of thousands of those in just the past few weeks – is a testament to the urgency consumers feel to reduce their costs and optimise their expenditures.

Tell us about the working culture at ZIPZERO?

One of the best things about working at ZIPZERO is that every single member of the team is passionately dedicated to our common goal: empowering consumers to reclaim the value of their shopping data and helping them pay their rising bills. This has created an incredibly positive culture in which we are all doing something really meaningful.

We've also built an incredibly diverse and multicultural team of thirty members working from both Poland and, of course, the UK. During Covid, we all worked remotely but now are slowly moving toward a hybrid format to ensure that all members of the team are properly acquainted, helping us to better our working relationships and overall performance.

The company's rapid growth has led to a fast-paced working environment with many unique business problems to solve, where those with an entrepreneurial and ambitious mindset are given a great opportunity to thrive.

How are you funded?

ZIPZERO has been funded by a group of incredible angel investors, who have been invaluable in building our brand and helping us grow our user base. In the past several months we raised over £1M from angel investors. This has put us in a prime position to develop our revenue-generating assets and further growth.

What has been your biggest challenge so far and how have you overcome this?

Well, originally, the business had planned to launch in 2019 but the pandemic halted all our plans by almost a year and a half and entirely cut off our access to funding.

Having launched a Beta version of ZIPZERO in Q4 2019, we were on the cusp of beginning a new fundraising round intended to support our roll-out and expansion in mid-2020. Covid practically closed all new funding opportunities, which forced us to spend over a year readjusting our growth strategy.

Two years later, with the support of our original shareholders and new investors, we were able to officially relaunch ZIPZERO in December 2022 with

an even more timely proposition and one which better serves its users. Ultimately, we were very lucky to survive the pandemic, but many businesses and startups did not.

How does ZIPZERO answer an unmet need?

ZIPZERO's unique proposition provides unrivalled benefits for consumers and retailers alike. Consumer data has immense value: Big Tech companies have been cashing in on this for years, with brands handing over an astonishing £26B each year for digital advertising. Despite this being a gold mine, consumers, the producers of such data, have historically been left out of the equation. ZIPZERO's ultimate goal is to empower consumers to reclaim this commodity and reset this traditionally unethical imbalance.

But the data ZIPZERO collects is even more valuable to advertisers than those based on the cookies and trackers a company like Facebook and Google offers. The reason this data is so valuable to advertisers is that it is at the product level – it covers what people like to buy, how much each item costs, how often and where it from – providing a unique understanding of consumer spending behaviour and product interests.

For instance, if a brand is preparing to launch a new product, it can target advertising directly to consumers who exhibit relevant shopping behaviour through the ZIPZERO platform. Equally, our data provides a 360-degree view of consumer spending, revealing what products consumers buy from other brands and retailers and for how much, allowing our current brand to determine factors such as the price point which are likely to appeal to their target market.

This also serves the end-user as well – by sharing their shopping data not only do they stand to benefit from cash towards their bills, but they drive a positive feedback loop of relevant advertising allowing them to receive exclusive high-impact rewards from their favourite brands.

ZIPZERO leverages the value of this data, to broker higher cash rewards for its users from its partner brands.

What's in store for the future?

Most importantly, our recent funding round will allow us to further our ambitions: negotiating even higher cash rewards with more brands and retailers to further relieve the burden the cost-of-living crisis is having on consumers while empowering them to regain ownership of their data.

We've got big plans to expand the number of opportunities available for users to earn cash rewards through their data as well, allowing them to reduce their bills even further. I can't say much right now but watch this space.

In terms of expansion, we're hoping to not only be helping UK consumers but later consumers in Europe as well.

What one piece of advice would you give other founders or future founders?

The entrepreneurs who thrive often ultimately draw their inspiration from widespread problems that lack comprehensive solutions. Think about what you can do differently to your competition to rise above – be truly disruptive. The key to our success with ZIPZERO has been the timeliness and the unique benefits of our proposition.

But, more generally, I would say you have to be persistent. Founding and then sitting in the driving seat of a company means a lot of disappointment and mistakes. You have to own them and most importantly learn from them.

And finally, a more personal question! What's your daily routine and the rules you're living by at the moment?

Nothing fancy, getting up early and going for at least 30 minutes walk no matter what the weather is outside. I prefer to work early in the morning; I start by reading my emails, user comments, and reviews. I like to clear my mailbox every morning to ensure I don't miss anything important. You would be surprised how often my ideas come from random emails I receive.

Secondly, I check in with my team and see if they need anything. It's important for me that the team know I am accessible and supportive; trust me, even if you're only saying 'good morning' it's important to show employees that you're grateful for their time and effort, especially in a startup.

Marcin Walaszczyk is cofounder, CTO & COO of _ZIPZERO_.

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