Currency Exchange

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Week 4

Competitor Analysis

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# Competitor Analysis

## Bitstamp

### Basic Information

*Business Name:* Bitstamp

*Brief History:* “Bitstamp was founded in 2011 as an alternative to MtGox, and is now the largest exchange by trading volume. Its banking is based in Slovenia but the exchanges headquarters are in London. Since its move to the UK and particularly since MtGox’s bankruptcy, Bitstamp has strived to be as transparent and well-regulated as possible. Its CEO Nejc Kodric is a well-known member of the bitcoin community and the company is open about developments that affect its users, including potential security issues. (“Bitcoin Exchange Guide,” n.d.)"With the fall of MtGox, they’ve taken up the position of banner-bearer–and they’ve carried it excellently so far." (“Bitstamp Review,” n.d.) Bitstamp website features a proprietary simple and easy to use user interface with an excellent and responsive customer support. They actively develop Bitstamp to improve its services. (“Bitstamp Facebook,” n.d.) "Slovenia-based Bitstamp is one of the world’s most popular bitcoin exchanges"(“Bitstamp Bitcoin Exchange News,” n.d.)

*Mission Statement:* We believe bitcoin is here to stay. Our goal is to provide reliable easy to use service for companies and individuals to exchange bitcoins.

*CEO:* Nejc Kodric

*Year Founded:* 2011

*Important relationships:* "Bitstamp is one of the longest-running exchanges in the world–they’ve kept it simple and as a result have picked up some excellent connections in the industry. They work closely with Coinbase, one of the biggest and best exchanges. At the end of 2013, hedge fund Pantera Capital Management invested $10 million in it.(“Bitcoin Exchange Guide,” n.d.) Pantera Capital is a fairly major Bitcoin-specific venture capital investor, owned in part by Benchmark, Fortress Investment Group, and Ribbit Capital." (“Bitstamp Review,” n.d.)

### Product

Deposit and withdraw EUR or USD

Deposit and withdraw Bitcoin

Trading pair BTC/USD

API for access and control of accounts

### Place

Customers primarily interface with Bitstamp via the company website https://www.bitstamp.net/. The exchange is based in Slovenia. Bitstamp has offices in Luxembourg, the United States and the United Kingdom. They can be contacted via email or telephone.

### Promotion

Bitstamp maintains a Facebook and Twitter account to promote the exchange. They also post news on a number of Bitcoin focused boards on Reddit. Bitstamp also promotes the exchange buy posting coupons on Savevy.com

### Price

Bitstamp charges a transaction fee to both parties in a trade. The fee is depends on the customers trading volume over the last 30 days and follows the table below

| **Fee** | **30 Day Volume** |
| --- | --- |
| 0.25% | < $20,000 |
| 0.24% | < $100,000 |
| 0.22% | < $200,000 |
| 0.20% | < $400,000 |
| 0.15% | < $600,000 |
| 0.14% | < $1,000,000 |
| 0.13% | < $2,000,000 |
| 0.12% | < $4,000,000 |
| 0.11% | < $20,000,000 |
| 0.10% | > $20,000,000 |

Bitstamp has minimum trade amount of $5.

In addition to the trading fees Bitstamp also charges a withdraw fee. SEPA withdraws have a fixed .9 euro fee and minimum withdraw amount of $10. International withdraws are charged a .09% fee and subject to $15 minimum fee is $15 and minimum withdraw amount of $50.

## Bitfinex

### Basic Information

*Business Name:* Bitfinex

*Brief History:* The Bitfinex trading platform is currently in a beta phase (testing phase). The platform is owned and operated by iFinex Inc. (Bvi), and during this final phase the platform is being prepared to operate under a fully licensed model. Fascinated by Bitcoin and the new possibilities it gives to people, the Bitfinex team has gathered experts from financial markets, programming and system administration to develop a versatile one-stop platform to make transfers, trade and a growing host of other services. (“Bitfinex,” n.d.)

*CEO:* Raphael NICOLLE

*Year Founded:* 2013

### Product

* Bitfinex offers a full API to access account and make trades
* Enhanced security policies provided by BitGo
* Segregated customer wallets
* Multi-sig hot wallet provided by BitGo that only holds minimal amounts (~0.5% of customer funds)
* Secure cold wallet to hold crypto-currencies
* Your Bitcoins are stored in the cold wallet. We do not store more than 0.5% of our assets on hot wallets for convenient deposits and withdrawals.
* Two-factor authentication (2FA) token and SMS/Voice authentication to validate your withdrawals.
* We have advanced verification tools to try and detect if your account is compromised
* Once a day, the database of the platform is backed up, encrypted and compressed as an archive.

(“Bitfinex,” n.d.)

### Place

*Webpage:* https://www.bitfinex.com/

*Office location:* Hong Kong

*Customer support:* Email Only

### Promotion

Bitfinex actively promotes their exchange on the following social media platforms.

* Facebook
* Twitter
* Reedit

### Price

Bitfinex trading fees are based on the total volume of trades made by a customer in the previous 30 days. Maker fees are paid when you add liquidity to our order book. Taker fees are paid when you remove liquidity from our order book.

| **Executed in the last 30 days** | **Maker fees** | **Taker fees** |
| --- | --- | --- |
| $0.00 or more traded | 0.10% | 0.20% |
| $500,000.00 or more traded | 0.08% | 0.20% |
| $1,000,000.00 or more traded | 0.06% | 0.20% |
| $2,500,000.00 or more traded | 0.04% | 0.20% |
| $5,000,000.00 or more traded | 0.02% | 0.20% |
| $7,500,000.00 or more traded | 0.00% | 0.20% |
| $10,000,000.00 or more traded | 0.00% | 0.18% |
| $15,000,000.00 or more traded | 0.00% | 0.16% |
| $20,000,000.00 or more traded | 0.00% | 0.14% |
| $25,000,000.00 or more traded | 0.00% | 0.12% |
| $30,000,000.00 or more traded | 0.00% | 0.10% |

Deposit fee: 0.1%

Minimum deposit: $20

Withdraw fee: 0.1%

Minimum withdraw: $20

## Coinbase

### Basic Information

*Business Name:* Coinbase

*Mission statement:* Coinbase's mission is to make payments more open and efficient for the world.

*Brief History:* Coinbase has set itself apart as a very professional and easy-to-use service that covers several major aspects of the bitcoin ecosystem, rather than focusing on its bitcoin exchange alone. It is one of the highest-profile bitcoin companies in the world and has attracted significant VC funding. Coinbase have also made efforts to secure their services, and have recently hired security experts from Facebook and Amazon partly to reassure the public after MtGox’s bankruptcy.

Unlike other exchanges, it combines the ability to buy and sell bitcoins for US dollars with wallet software that allows customers to store send and receive bitcoins. Additionally, Coinbase offers merchant services so that businesses can accept bitcoins as payment. This wide-ranging approach has led to strong demand and the company now has more than 1 million customer wallets. Coinbase are a one-stop shop for bitcoin business and transactions, which has earned them the name the PayPal of bitcoin. (“Bitcoin Exchange Guide,” n.d.)

*CEO:* Brian Armstrong

*Year Founded:* 2012

*Legal Issues:* Coinbase is insured against employee theft and hacking in an amount that exceeds the average value of online bitcoin it holds at any given time. Specifically, Coinbase's insurance policy would respond in the event that bitcoin stored in Coinbase was lost or stolen as a result of a breach of our physical security, cyber security, or as a result of employee theft. Coinbase has held this insurance since November 2013 with highly rated carriers (S&P rating of A+ or A.M. Best Rating of A XV or higher). (“Coinbase,” n.d.)

### Product

* Coinbase has emerged as the foremost integrated wallet, exchange and business service
* 2-Step Verification on All Accounts you'll enter a code from your mobile phone, adding an extra layer of security for your account
* Offline storage provides an important security measure against theft or loss.
* We distribute bitcoin geographically in safe deposit boxes and vaults around the world
* Up to 97% of customer funds are stored offline
* Full API to access account and make trades
* Dollar deposits through linked bank account
* Majority of customer funds kept offline in bank vaults
* Wallets fully protected with AES-256 encryption
* Merchant tools available
* Bitcoin-only no alternative cryptocurrencies offered

### Place

*Webpage:* https://www.coinbase.com/

*Office location:* San Francisco

*Customer support:* Email

### Promotion

Coinbase is an active participant at Bitcoin conference around the world. In addition to promoting the exchange at conferences Coinbase use social media platforms such as; Twitter

Facebook and Linked in.

### Price

Coinbase does not charge withdraw fees.

There is a .25% taker fee and 0% maker fee for all trades.

## BTC\_e

### Basic Information

*Business Name:* BTC\_e

*Brief History:* BTC-e offers a range of services not provided by Coinbase and Bitstamp, particularly trading in alternative cryptocurrencies. Since the decline of MtGox it has taken a larger market share and is now an extremely popular exchange, particularly in Russia where bitcoin trading is discouraged. BTC-e is a Bulgaria-based bitcoin exchange which began trading in 2011. At first the exchange offered trading between bitcoins and multiple physical currencies including US dollars, Russian roubles and Euros. BTC-e also supports Litecoin, Namecoin and other cryptocurrencies. The site has English and Russian interfaces. These features make it one of the most international and far-reaching of the major exchanges. However, BTC-e effectively remains anonymous, which has led to questions about its security and the guarantees it can offer to its customers since there is a lack of transparency around ownership. (“Bitcoin Exchange Guide,” n.d.)

*Year Founded:* 2011

### Product

* Trading API but no API for bitcoin withdrawals
* Trollbox chatroom
* Limit orders supported
* Physical cash deposits in USD and Euros through numerous methods
* SEPA transfers accepted
* Multi-option withdrawal, including PayPal
* Bitcoin, Litecoin, Namecoin and other cryptocurrency trading

BTC\_e offers the following trading pairs (“BTC\_e,” n.d.)

* BTC/USD
* BTC/RUR
* BTC/EUR
* LTC/BTC
* LTC/USD
* LTC/RUR
* LTC/EUR
* NMC/BTC
* NMC/USD
* NVC/BTC
* NVC/USD
* USD/RUR
* EUR/USD
* EUR/RUR
* PPC/BTC
* PPC/USD

### Place

*Webpage:* https://btc-e.com/

*Office location:* Its exact location is unknown. Some critics have suggested that it is really based in Russia, rather than Bulgaria.

*Customer support:* Email, online chat

### Promotion

BTC\_e uses Facebook and Twitter as well as posts on Reddit bitcoin boards

### Price

BTC withdraw fee: 0.01 BTC

Transaction fee: .2% - .5%

## LakeBTC

### Basic Information

*Business Name:* LakeBTC

*Brief History:* LakeBTC project was started in early 2013 as a virtual bitcoin exchange initially for traders and other financial professionals. Later that year, the exchange was incorporated and operated under the current domain name. LakeBTC is currently owned by Lake Investments Limited (BVI), with Shanghai Trading IT, Inc. providing technical and customer support. To protect your fund, we implemented a number of rigorous mechanisms including SSL encryption, cold storage, 2-step verification, SMS withdrawal confirmation, trade notifications and so on. (“LakeBTC,” n.d.)

*Ownership:* Thomas Xie

*Year Founded:* 2013

### Product

* LakeBTC also provides bitcoin wallet service to all accounts.
* SMS withdrawal confirmations and trade notifications
* SSL encryption, cold storage, 2-step verification,
* Highly-secure market data and trading API's for advanced users

### Place

*Webpage:* https://www.lakebtc.com/

*Office location:* Shanghai

*Customer support:* Email, Phone or Twitter

### Promotion

LakeBTC uses social media platforms such as; Facebook, Twitter, Linked in and Reddit to promote the exchange.

### Price

Taker trading fees are a flat 0.2%

Maker fees depend on previous 30 day volume

| **30 day Volume** | **Fee** |
| --- | --- |
| > 20,000 BTC | 0.00% |
| > 15,000 BTC | 0.02% |
| > 6,000 BTC | 0.04% |
| > 3,000 BTC | 0.06% |
| > 500 BTC | 0.10% |
| < 500 BTC | 0.15% |

Withdraw fees

|  |  |
| --- | --- |
| **30 day Volume** | **Fee** |
| > 15,000 BTC | 0.10% |
| > 6,000 BTC | 0.20% |
| < 6,000 BTC | 0.30% |

No deposit fees

## OkCoin\_Intl

### Basic Information

*Business Name:* OkCoin\_Intl

*Brief History:* OKCoin.com is a worldwide digital currency trading platform founded in 2013. In early March 2014, OKCoin reached a BTC transaction volume of roughly 293,000 BTC and an LTC transaction volume of roughly 12.9 million LTC. This is the highest crypto-currency transaction volume that any exchange, the world over, has ever had. They constantly strive to provide their users with the best system, products, and services in the industry. OkCoin\_Intl employ a team that is young, professional, meticulous, dedicated, and thirsty for success. Their team consists of employees with extensive experience working at Google, Alibaba, Baidu, IBM, Microsoft, and other industry leading companies.(“OkCoin\_Intl,” n.d.)

*Number of Employees:* 51-200 employees (“OkCoin LinkedIn,” n.d.)

*CEO:*  Mingxing Xu

*Year Founded:* 2013

### Product

* We use distributed cluster technology to ensure we are always online
* Except for a very small portion, all Bitcoins are stored in an offline account
* All transmitted data goes through 128 bit encryption
* Multi-platform: Web platform, mobile app and API
* Margin Trading
* BTC/LTC futures trading
* High-speed matching engine
* GSLB and distributed servers
* Distribution of global data center
* Cold Storage, SSL

### Place

*Webpage:* https://www.okcoin.com/

*Office location:* Beijing

*Customer support:* Email or Phone lines in; Hong Kong, Canada, Ireland, Singapore and Russia

### Promotion

OkCoin\_Intl uses social media platforms such as; Facebook, Twitter, Linked in and Reddit to promote the exchange.

### Price

*Trading Fees are based on previous 30 day volume*

|  |  |  |
| --- | --- | --- |
| **30 Day Volume** | **Taker Trading Fee** | **Maker Trading Fee** |
| 0 BTC | 0.20% | 0 |
| 50 BTC | 0.18% | 0 |
| 200 BTC | 0.16% | 0 |
| 600 BTC | 0.14% | 0 |
| 1500 BTC | 0.12% | 0 |
| 5000 BTC | 0.10% | 0 |

*Deposit & Withdrawal Fees*

USD Deposit: Bank Transfer/Wire: Only the fees charged by banks will be incurred.

USD Withdrawal: TT fee: 0.1%, minimum fee $15 USD

BTC Withdrawal: 0%

LTC Withdrawal: 0%

## Kraken

### Basic Information

*Business Name:* Kraken

*Mission Statement:* Our mission is to provide an exceptional bitcoin exchange experience

*Brief History:* Founded in 2011, San Francisco-based Kraken is the largest Bitcoin exchange in euro volume and liquidity and also trading Canadian dollars, US dollars, British pounds and Japanese yen. Kraken is consistently rated the best and most secure Bitcoin exchange by independent news media. Kraken was the first Bitcoin exchange to have trading price and volume displayed on the Bloomberg Terminal, the first to pass a cryptographically verifiable proof-of-reserves audit, and is a partner in the first cryptocurrency bank. (“Kraken,” n.d.)

Kraken is a relatively new but highly professional bitcoin exchange, based in Europe. It is billed as a ‘Forex meets bitcoin exchange’ platform, and the site offers advanced trading tools that are suitable for more sophisticated and professional investors. Kraken is well-regarded and can be considered as an up-and-coming player in the bitcoin exchange space. Although it is strategically positioned, at the present time it is not as popular as some of the larger exchanges such as Coinbase and Bitstamp. As well as bitcoin, traders can buy and sell a limited range of altcoins. (“Bitcoin Exchange Guide,” n.d.)

*CEO:* Jesse Powell

*Year Founded:* 2011

*Important relationships:* Kraken places a strong emphasis on proving they are operating within a recognized and approved legal framework, to the extent that is possible with existing regulation. The parent company recently raised $5 million in venture capital funding and has a partnership with a German bank for fast withdrawals and deposits.(“Bitcoin Exchange Guide,” n.d.)

*Legal Issues:* Kraken has passed a rigorous proof of reserves audit, verifying that the exchange held more than enough funds to cover customer deposits – a critical step following the MtGox bankruptcy. Representatives have stated they plan to hold regular audits in the future.

(“Bitcoin Exchange Guide,” n.d.)

### Product

* Professional and sophisticated exchange suitable for pro-traders
* Dollar and Euro denominated trading and deposits
* Bitcoin, Litecoin, Namecoin, Dogecoin and Ripple trading
* Advanced trading tools available
* API available
* Margin trading
* Encrypted cold storage

Trading pairs

* BTC/EUR
* BTC/USD
* BTC/CAD
* BTC/GBP
* BTC/JPY
* LTC/EUR
* LTC/USD
* BTC/LTC

### Place

*Webpage:* https://www.kraken.com/

*Office location:* 548 Market Street #39656 San Francisco, CA 94104-5401

*Customer support:* Email or mail

### Promotion

Kraken uses social media platforms such as; Facebook, Twitter, Linked in and Reddit to promote the exchange.

### Price

*Fee Schedule*

| **Maker Trading Fee** | **Taker Trading Fee** | **30 Day Volume** |
| --- | --- | --- |
| 0.16% | 0.26% | < 10,000 |
| 0.14% | 0.24% | < 50,000 |
| 0.12% | 0.22% | < 100,000 |
| 0.10% | 0.20% | < 250,000 |
| 0.08% | 0.18% | < 500,000 |
| 0.06% | 0.16% | < 1,000,000 |
| 0.04% | 0.14% | < 5,000,000 |
| 0.02% | 0.12% | < 10,000,000 |
| 0.00% | 0.10% | > 10,000,000 |

## Coinsetter

### Basic Information

*Business Name:* Coinsetter

*Brief History: “*Coinsetter is based in New York, and the organization has a strong ethos of customer service. It’s one of a number of new and professional exchanges that are coming online with the increasing regulatory clarity around bitcoin. It is open to most businesses and individuals within and outside the US, and is particularly suitable for payment processors and ATM providers.”(“Bitcoin Exchange Guide,” n.d.) Coinsetter is a venture capital financed bitcoin exchange that is dedicated to making bitcoin safe and reliable for active users globally. Operating since 2012, our company offers a Wall Street class bitcoin trading platform with easy-to-reach customer support. (“CoinSetter,” n.d.)

Coinsetter boasts that it is a Wall Street-built exchange, designed to provide the power of institutional bitcoin trading to both individuals and organizations. In practice, this means excellent liquidity and deep order books, so there is limited slippage. Liquidity is sourced from other bitcoin exchanges to ensure there is always adequate supply. Margin trading is also available, with various other trading tools. (“Bitcoin Exchange Guide,” n.d.)

*CEO:* Jaron Lukasiewicz

*Year Founded:* 2012

*Important relationships:* Securicoin is an enterprise bitcoin security solution designed specifically to meet the standards of Wall Street institutions. Bitcoins held in the Securicoin system are contained in highly-protected offline wallets that never directly touch the internet. Furthermore, a human is always involved to verify the validity of each withdrawal made from your account. Bitcoin market participants that value security over all else will take comfort in Securicoin's complete separation of your bitcoins from outside threats. (“CoinSetter,” n.d.)

Coinsetter’s ‘Securicoin’ system was designed as an institutional-grade way of securing bitcoins, protecting them in offline wallets that are never connected to the internet. Automatic withdrawals are never made: a human always has to approve a transfer from the cold wallet, meaning that it is impossible for a hacker to drain the account remotely (as has happened with several other exchanges). Around 50% of coins are ensured through Xapo Vault.(“Bitcoin Exchange Guide,” n.d.)

### Product

* With Coinsetter's margin trading capabilities
* Connect to Coinsetter through our FIX, WebSockets and REST API
* Trade before sending funds
* APIs enable millisecond latency
* Charting tools
* DDOS protection

### Place

*Webpage:* https://www.coinsetter.com/

*Office location:* Office in New York, NY

*Customer support:* Contact via Email, Phone, Mail, Personal visit. Our call hours extend from 1PM to 4PM Eastern Time. Email support throughout the business day.

### Promotion

Coinsetter uses social media platforms such as; Facebook, Twitter, Linked in and Reddit to promote the exchange.

### Price

*Trading fees*

| **30 Day Trading Volume** | **Our Trade Fee** |
| --- | --- |
| 0 BTC to 999 BTC | 0.25% |
| 1,000 BTC to 4,999 BTC | 0.20% |
| 5,000 BTC to 9,999 BTC | 0.15% |
| 10,000+ BTC | 0.10% |

Coinsetter offers partner programs to designated market makers on our exchange.

## Cryptsy

### Basic Information

*Business Name:* Cryptsy

*Brief History:* Cryptsy is an exchange with a difference. Its stated aim is to provide a safe environment for users to trade crypto-currencies with other users in an efficient and easy to use manner. Although the site plans to offer USD deposits and withdrawals soon, at the present time it is designed to act specifically as an exchange for a huge range of different cryptocurrencies. Cryptsy is based in Florida and was launched in May 2013. It currently offers trading between pairs of over 100 types of cryptocurrency. In the near future, Cryptsy plans to offer further services, including cryptocurrency escrow and merchant services for cryptocurrency transactions, as well as USD exchange.(“Bitcoin Exchange Guide,” n.d.)

*Year Founded:* 2013

*Legal Issues:* Because Cryptsy does not offer fiat exchange, it is not currently bound by the rules that other exchanges are subject to. This means it is straightforward and easy to get started with, albeit at the cost of not being able to convert cryptocurrencies into USD or other physical currencies. The result is that Cryptsy has become the go-to exchange for almost all minor cryptocurrencies.(“Bitcoin Exchange Guide,” n.d.)

### Product

* Cryptocurrency-only exchange at present
* Over 100 cryptocurrencies supported
* Majority of funds held offline in several locations
* Wallets protected with AES-256 encryption
* Regular security scanning by third party
* API available
* Two-factor authentication supported
* New markets added all the time

### Place

*Webpage*: https://www.cryptsy.com/

*Office location:* **160 Congress Park Dr Suite 101, Delray Beach, FL 33445**

*Customer support:* Email, Online forums, Mail

### Promotion

Cryptsy uses social media platforms such as; Facebook, Twitter, Linked in and Reddit to promote the exchange.

### Price

Cryptsy charges a base fee which is typically aligned with the network fee imposed by each coin + 0.5%.

# Critical Success Factors Matrix

The goal of a currency exchange is to facilitate the trading of currency. The ultimate mark of a successful exchange is the daily volume moved through the exchange. A more successful exchange will move more money and have a higher average daily volume. My analysis of the successful crypto exchanges has reviled 4 critical success factors they are; Price, Customer service, Diversity of products and Security.

## Price

|  |  |
| --- | --- |
| **Rubric** |  |
| Critical Success Factor | Price |
| Rationale | Because there the service provided by competitor exchanges is similar price is one of the few ways an exchange can differentiate itself. Lower prices will attract more traders which will increase exchange volume a key measure of success. |

|  |  |
| --- | --- |
| **Points** | **Decision Criteria** |
| 5 | Trading fee < .10%; Discount Maker fees |
| 4 | Trading fee < .10% |
| 3 | Trading fee < .15% |
| 2 | Trading fee < .25% |
| 1 | Trading fee < .25%; Withdraw fees |

## Customer Service

|  |  |
| --- | --- |
| **Rubric** |  |
| Critical Success Factor | Customer Service |
| Rationale | When the Mt Gox exchange collapse customers of the exchange found it very difficult to reach the contact the exchange regarding the lost funds. Since then cyrpto traders are cautious about which exchange to trust. Trust is important when traders are picking an exchange to do business with. Exchanges that offer more ways to contact them will appear more trust worthy. |

| **Points** | **Decision Criteria** |
| --- | --- |
| 5 | Personal visit; Email; Phone |
| 4 | Email; Phone multi city options; Mail |
| 3 | Email; Phone; Mail |
| 2 | Email; Phone |
| 1 | Email Only |

## Available Products

|  |  |
| --- | --- |
| **Rubric** |  |
| Critical Success Factor | Available Products |
| Rationale | All exchanges offer basic trading functionality. Innovative exchanges add additional features that make it easier for traders to interact with the exchange. Offering additional product or advanced trading feature like margin trading draws trader to the exchange and increase overall exchange volume. |

|  |  |
| --- | --- |
| **Points** | **Decision Criteria** |
| 5 | Advanced trading options such as Margin or Furture trading |
| 4 | Online wallet; Merchant services |
| 3 | Withdraw and deposit government currencies |
| 2 | Multiple trading pairs |
| 1 | Single trading pair; Basic API interface |

## Security

|  |  |
| --- | --- |
| **Rubric** |  |
| Critical Success Factor | Security |
| Rationale | Since the collapse of Mt. Gox security has become paramount to any exchange. Nothing is more important to than an exchange then its ability to safe guard trader funds. Demonstrating sound security measures is important to an exchanges ability to attract traders. |

|  |  |
| --- | --- |
| **Points** | **Decision Criteria** |
| 5 | Geographically dispersed systems |
| 4 | Majority of funds stored off line |
| 3 | Encryption cold storage |
| 2 | 2 factor authentication |
| 1 | No security measures |

## Critical Success Factors Matrix

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Critical Success Factors** | **Weight** | **Bitstamp** | **Bitfinex** | **Coinbase** | **BTC\_e** | **LakeBTC** |
| Price | 0.2 | 1 | 3 | 2 | 2 | 3 |
| Customer Service | 0.25 | 1 | 1 | 1 | 2 | 3 |
| Available Products | 0.25 | 5 | 3 | 3 | 3 | 4 |
| Security | 0.3 | 4 | 4 | 5 | 2 | 2 |
| Total | **1** | **2.9** | **2.8** | **2.9** | **2.25** | **2.95** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Critical Success Factors** | **Weight** | **OkCoin** | **Kraken** | **Coinsetter** | **Cryptsy** |
| Price | 0.2 | 3 | 2 | 3 | 3 |
| Customer Service | 0.25 | 3 | 2 | 5 | 2 |
| Available Products | 0.25 | 5 | 5 | 4 | 3 |
| Security | 0.3 | 5 | 4 | 2 | 3 |
| Total | **1** | **4.1** | **3.35** | **3.45** | **2.75** |

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