# FinTech Case Study

Coinbase is a digital currency exchange that holds several cryptocurrencies such as Bitcoin, Ethereum and Litecoin. Their platform offers API developers and merchants the opportunity to build applications and accept payments in multiple digital currencies. Coinbase has a vision that combats the traditional platform institution to become an equal-wealth opportunity zone.

\* Coinbase

\* Incorporated on 6/20/2012

\* Founded by Brian Armstrong

\* Brian Armstrong’s idea for Coinbase came from his realization of the impact of digital currency. There are three main reasons for Armstrong to create the company Coinbase: innovation, efficiency and equality of opportunity. He wanted to create opportunity in the world by creating an open financial system as easy as sending an email, which was cheap and affordable.

\* **How is the company funded? How much funding have they received?**

Coinbase is funded by many different transactions such as secondary markets, venture capital and several series funds from C-D, with a total funding of $547.3 million according to Crunchbase. Those funds were used to improve infrastructure of the platform for an overall product to customer experience.

**## Business Activities:**

**\* What specific financial problem is the company or project trying to solve?**

Coinbase wants to convert local currency into digital currency to create an open financial system for all people around the globe. By implementing more finances into blockchain technology. Armstrong company has way more to improve but are moving in the right direction.

**\* Who is the company's intended customer? Is there any information about the market size of this set of customers?**

Coinbase is intended for everyday users who want to make consumer transactions of goods and

services. According to cointelegraph.com, there are around 30 million Coinbase users. To reach coinbase mission to change the wealth gap of finances from the few wealth individuals and institutions to the person with a smartphone.

**\* What solution does this company offer that their competitors do not or cannot offer? (What is the unfair advantage they utilize?)**

The competitive advantages of Coinbase are lower fees and a secure gateway to Crypto compared to other platforms.

\* **Which technologies are they currently using, and how are they implementing them? (This may take a little bit of sleuthing–– you may want to search the company’s engineering blog or use sites like Stackshare to find this information.)**

According to blog.coinbase.com, Coinbase uses Blockchain technology to power through cryptocurrencies.

**## Landscape:**

**\* What domain of the financial industry is the company in?**

According to Forbes, the Coinbase domain is in Crypto and Blockchain.

**\* What have been the major trends and innovations of this domain over the last 5-10 years?**

The major trends and innovations of the domain are the improvements of Blockchain technology. One improvement is the implementation of Blockchain, which has created a fraud resistant platform. Additionally, new artificial intelligence was adopted that provided customers a new experience.

**\* What are the other major companies in this domain?**

There are four major companies in this domain listed below.

1. Bitfury
2. Circle
3. Gemini
4. Ripple

**## Results**

**\* What has been the business impact of this company so far?**

Coinbase has provided a new way to compete with the traditional financial world by producing a product that is trusted, secure and easy to use.

**\* What are some of the core metrics that companies in this domain use to measure success? How is your company performing, based on these metrics?**

The main metrics of Coinbase are innovation, efficiency and equal opportunity. Coinbase is the largest Bitcoin exchange due to its 30 million users, with 8 million of those users joining in 2019 according to Cointelegraph.com. Ripple, a main competitor of Coinbase, is turning their platform into mainly wealth management service, whereas Coinbase’s mission is to become an everyday platform of goods and services.

**\* How is your company performing relative to competitors in the same domain?**

Coinbase continues its status as one of the most well-known Bitcoin exchanges offering more advantages for buyers such as low trading fees and a more secure platform. These advantages make the objective of efficiency at Coinbase stand above their competitors.

**## Recommendations**

**\* If you were to advise the company, what products or services would you suggest they offer? (This could be something that a competitor offers, or use your imagination!)**

If I were to advise Coinbase, I would suggest they move into commodities trading, which would allow them to bring in more customers and add market capitalization for an overall vision of equal opportunity.

**\* Why do you think that offering this product or service would benefit the company?**

Having more people use blockchain technology to implement commodities trading gives a new meaning to wealth. People all over the world could use a personal device to make trades, such as in oil, which is used globally, on a safe, secure platform. It has the largest global footprint in Bitcoin whereas competitors, such as Ripple and Gemini, compete for second.

**\* What technologies would this additional product or service utilize?**

Commodities trading will still use the blockchain technology already implemented within Coinbase.

**\* Why are these technologies appropriate for your solution?**

Blockchain technology is a digital asset that is transparent and unalterable. Using this technology with commodities trading makes it secure and safe for the customer to use, which adds value to the customer’s overall experience.

**Citations**

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