Team Wire Wizards
Current state analysis: Remitly

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Remitly

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- Reaffirming our focus on the 10-K and other SEC Filings
- Looking at publicly available information regarding investor presentations
- Market data and perspectives

The team is highly indebted to his contribution and guidance all throughout this 2 week sprint.

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Part 1: Product

About Remitly

Remitly is a web-based money transfer provider that lets you send money fast internationally (Murakami et al., 2022). Remitly supports money transfers from 28 sending countries to more than 100 receiving countries around the world (Which Countries Does Remitly Support? | Remitly Help, n.d.).

Remitly services are designed to help immigrants send money home "in a safe, reliable and transparent manner." This type of money transfer is often called a remittance (Remitly Review – Forbes Advisor, 2022).

Remitly's services are provided through its core product, which is a mobile application available on both Google Play Store and Apple's App Store, Remitly. Some of its statistics from these app stores are as follows:
- 5M+ Downloads on Play Store
- 4.8/5 Rating on Play Store with 595K Reviews
- #35 in Finance on the App Store
- 4.9/5 Rating on App Store with 1M Ratings

In addition to its core product, Remitly also offers two additional products, Remitly for Developers, an API-based integration available for B2B operators, and Passbook, a money management application.

Remitly's Mission, Vision, and Values:

Mission

"To tirelessly deliver on our promise to immigrants sending money across the world."

Remitly is a mission and value-driven organization, as can be seen through all of its history, services, and as noted through Remitly's investor reports, financial year-end reports and interviews with the product manager.

Hence, it is imperative to explore Remitly's vision and values which serve as guiding principles for the product and the organization.

Vision

"To transform the lives of immigrants and their families by providing the most trusted financial services products on the planet."

Remitly aims to make the process of sending and receiving money simple, transparent and strives to accomplish its vision and mission by focusing on culture and its cultural values, some of which that are related to product are:

Customer Centricity | Deliver on Promises | Sweat the Details | Data Driven | Bias for Action | Be an Owner | Continuously Improve | Earn trust through integrity | Be Global

Product History

Remitly, formerly known as Beamit Mobile, was founded in 2011 by CEO Matt Oppenheimer. He saw a need for a more efficient and affordable way to send money back to his home country while working in East Africa. The company started as a search engine for remittance services, but soon pivoted to building a technology-based solution.

Josh Hug, who had experience with sending money across borders, joined Remitly after acting as a mentor. Shivaas Gulati, an engineer, and entrepreneur, joined the team after experiencing the challenges of cross-border banking.

The company aimed to take on established players like Western Union and MoneyGram by offering tech-fueled remittance services. After overcoming legal hurdles, Remitly grew to serve over 5 million customers and employ over 1,600 people globally.

Remitly's key milestones

Milestone	Date	Description/Impact
First Seed Funding	Aug 1 2011	Mark Williamson and Techstars were the first seed funders for the idea that Mark had to offer, funding $750,000.
Bezos Backing	Apr 1 2012	Big names in the industry like Jeff Bezos, Eric Schmidt & Others brought in big money after Remitly's pitch at the TechCrunch event.
Rebranding	Aug 2012	Beamit Mobile was officially renamed to Remitly, and so did the core idea to move from the company being a financial services source

		website to becoming a remittance transfer website and application.
First Live Run (Free!)	Apr 2013	Remitly announced its first-ever international transfer from the U.S. to the Philippines for free to acquire its first major market share.
Application Launch in iOS and Android	Q1 2014	Remitly launched its full-scale mobile application that allowed international money transfers from the US to the Philippines at users' fingertips. (Geekwire)
Multi-fold Expansion!	Mar 2018	Growing exponentially, Remitly were able to increase their Send country count to include U.S., U.K, Canada, and Australia and had reached nearly 50 countries that could receive the international transfer.
Multiple transfer options	Q2 2019	Remitly *introduced credit card transfer, direct bank to domestic bank wires,* and also Visa direct capabilities and also grew its send countries to 17.
Remitly launched Passbook!	Feb 2020	Passbook aims to eliminate the barriers and complexity of opening a bank account by accepting alternative forms of identification, removing fees, enabling easy international Visa card use, and offering unique international money transfer benefits.
Remitly launches Remitly for developers!	Q3 2020	With Remitly for Developers, B2B operators can integrate this network and infrastructure into their applications and websites through a simple API. This enables them to offer cross-border payments to their customers and introduce new digital solutions in emerging markets.

Remitly's Core Features

Remitly's product (henceforth referred to as Remitly) is driven by 4 core Features. They are defined as follows:

- Trusted and Intuitive Digital Experience

- Simple Onboarding Process
- Centralized Portal for Easy Account management
- Best-in-class customer support

As can be seen above, Remitly is driven by its organizational values and a thorough understanding of the core value it provides to its customers. Remittances help pay bills and sustain the livelihoods of Remitly's target customers, immigrants, and their families. And a core, non-negotiable value in this industry and in any financial payment services is Trust. Thus, Trust forms the basis for the definition of these core features of Remitly. Let us explore the core features in more detail.

1. **Trusted and intuitive digital experience**. Remitly's digitally-native app is both easy to use and designed with security in mind. Customer onboarding and repeat logins are quick and easy, and Remitly strives to keep customer data secure across log-ins and transactions by leveraging multiple security layers.
2. **Simple onboarding process**. Remitly's simple step-by-step onboarding flow was designed to minimize friction and ensure their customers have to enter their profile information only during their first transaction
3. **Centralized portal for easy account management**. MyRemitly is a one-stop hub for customers to manage their accounts and access a consolidated and detailed view of current and past transaction details. Customers can self-serve documentation requirements without contacting Remitly.
4. **Best-in-class customer support**. Remitly offers contextual help, customized for a variety of scenarios that our customers may experience, which allows them to self-resolve issues on their own terms. Their multilingual 365x24x7 integrated in-app support combined with their agents and local partner relationships provides Remitly's customers with the quality and speed of service that is unique to Remitly's customers.

Remitly's Experience Map Phases

Remitly being a digital-first product, all transactions are powered using technology and through its application. As the number of transactions increase, more data is available to improve a customer's experience. This data also helps Remitly define its marketing strategy which helps in additional customer acquisition and growth, as well as driving improvements in customer experience, innovation and introduction of new services. Broader services attract more customers, and the cycle continues to drive compounding organic growth.

First phase of the experience map phase is building Awareness for Remitly, and then acquiring customers for Remitly's application. During the acquisition phase, Remitly focuses on providing a smooth and hassle-free onboarding experience to its users. Remitly's focus is then on converting its users into customers soon by providing their recipient choice, speed of delivery, and delivery method, which is followed by confirmation of the transaction. In-app native support provides the ability to raise service concerns and get support quickly.
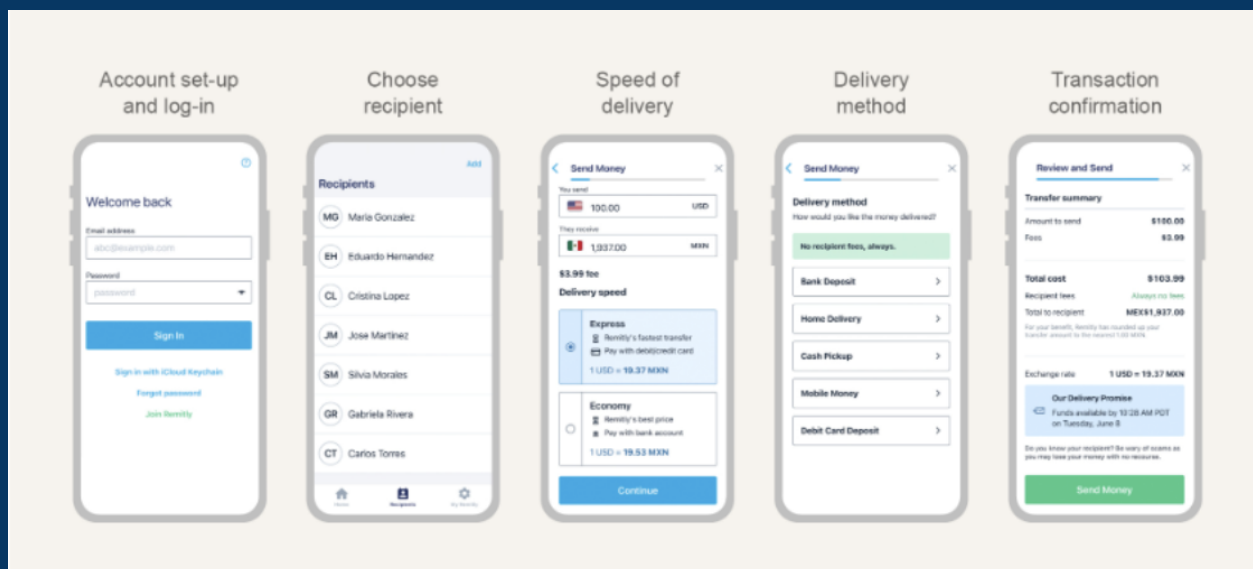
Acquisition/Onboarding

Within the acquisition process, Remitly provides first-time user benefits as well as referral schemes for immigrants to refer their fellow friends and families to the product. Remitly also works on making the account set-up process seamless and friction free.

Conversion, Purchases, and Post Purchase:

The step of conversion involves taking the customers through the entire process of choosing the recipient, speed of delivery, delivery method, and transactional confirmation.

Choose the recipient: Remitly's customers can send to a number of recipients, and adding new ones is easy. To add a new recipient, the customer simply fills in the key information necessary for them to receive funds. The recipient's details only need to be entered once making repeat transactions quick and easy.

Speed of delivery: In the vast majority of Remitly's customers' transactions, after selecting their recipient, they have the flexibility to select the delivery speed, send amount, and payment method within the product.

Delivery method: Remitly's global network of partners allows Remitly to offer a rich selection of digital delivery methods, including bank deposits and mobile wallets as well as traditional delivery methods such as cash pickup, where a recipient can conveniently collect the money sent at a nearby location using a picture ID and a transaction reference number. We also offer the convenience of home delivery in certain markets to further extend the accessibility of our customers' recipients.

Transaction confirmation: We provide peace of mind with our Perfect Delivery Promise which includes a projection of the exact date and time for delivery of funds. In addition, we believe we are the only scaled provider in the remittance market to provide a money back guarantee on timely delivery, a feature we are incredibly proud to stand behind. Both our customer and the recipient receive notifications at key stages of the transaction process including initiation and completion. Our customers also receive a transparent breakdown of their transaction costs.

Retention (Care and Feeding)

Remitly also focuses on retaining its customers by making sure they are provided with the support they need in transactions. This is achieved through in-app native support options, as well as helpline numbers and web-chat support. These support requests are tracked and taken to completion so that customers do not have any concerns regarding 'their money or their families paying bills'. Additionally, the application provides push notifications and regular updates to improve customer satisfaction through improvements in the user experience (UX) of the application. Remitly also focuses on the market and its competitors to stay ahead of the curve and provide most useful benefits to its customers.

Remitly's current products

As Remitly expanded its scope and size over the years, it had an opportunity to explore new product domains apart from expanding on its core product i.e "Remitly Money Transfer". In our Product study, we will be primarily focusing on the core product itself.

1. Remitly Money Transfer → Remitly is a platform for international money transfers, offering low fees and competitive exchange rates. Its core product, Remitly Money Transfer, allows customers to send money from the US, UK, Canada, Australia, or Europe to 115+ countries via the Remitly mobile app or website.
2. Passbook by Remitly → Passbook is a money management app for immigrants in the US, offering budgeting tools, a debit card, and the ability to manage finances and transactions in-app.
3. Remitly for Developers → Remitly for business/developers is a solution for businesses to send and receive money globally, offering access to Remitly's network, competitive exchange rates, and customer support. It provides developers with tools to integrate Remitly's services into their own products, including money transfers, exchange rate information, and transaction tracking via a flexible and scalable API.

Customer Touch Points

Remitly's different products carry different customer touch points. These touchpoints are interactions or experiences that a customer has with Remitly, which can be in any of the phases of the customer journey. We will look at the various touch points that customers of Remitly can have below:

1. **Website:** Customers can visit Remitly's website to learn more about the company and its services, sign up for an account, and initiate transfers.

2. **Mobile App:** Customers can download Remitly's mobile app to access the platform from their smartphone or tablet.

3. **Transfer Process:** The process of sending money through Remitly, including entering recipient information, choosing a transfer option, and completing the transaction.

4. **Customer Support:** Customers can reach out to Remitly's customer support team through the website, mobile app, or phone for assistance with any questions or issues they may have.

5. **Email Communications:** Remitly may send customers emails with updates on their transfers, promotions, and other information.

6. **SMS Notifications:** Remitly may send customers SMS notifications to update them on the status of their transfers.

7. **Social Media:** Customers may interact with Remitly through its social media channels for information, support, or to share feedback.

8. **Affiliate program and Social Media Marketing**: Social media influencers and affiliate programs also serve as touchpoints for customers to become aware of Remitly externally and discover the product.

9. **Online advertising:** Through online ads, such as display ads, search engine ads, and social media ads, Remitly reaches customers who are searching for money transfer services.

10. **Print advertising:** Remitly uses print ads, such as newspaper or magazine ads, to reach customers who are interested in specific subjects.

11. **Outdoor advertising:** Remitly can use outdoor ads, such as billboards or bus stop ads, to reach customers in specific geographic locations.

12. **Referral Programs:** This is another touchpoint where Remitly's users become evangelists of the product and can contribute towards its growth by referring their network to the product.

Each of these touchpoints provides an opportunity for Remitly to shape its customers' experience and build relationships with them. It's important for Remitly to optimize and monitor each touchpoint to ensure that customers have positive experiences and feel supported throughout the transfer process.

Tech vs Human Experiences

Tech vs. human experiences for Remitly refers to the two different types of interactions that customers can have with Remitly.

The experiences provided by Remitly are based on the touchpoints discussed earlier. Let us see them in detail:

Technology Experiences: The technology experiences can be classified into two broad categories, online and offline.

I.   Online:
      A. Web-based experience
          1. Search Engine Optimization (SEO)
          2. Advertising
          3. Customer support (Chatbots)
          4. Social Media
          5. Referrals

      B. Native Mobile application:
          1. Application Stores (Play Store, App store)
          2. Mobile Application
          3. Customer Support (Chatbots)
          4. Social Media
          5. Referrals

      C. Out-of-home (OOH) Advertising
          1. Digital Billboards

II.   Offline

      A. Banks that receive and send money digitally
      B. Billboards
      C. Newspapers

D. Radio

<u>Human Experiences:</u>

    I.   Face-to-face customer service through agents
   II.   Banks by visiting in-person for receiving money
  III.   Customer Support through native application as well as Web
  IV.   Referral through Personal Networks
   V.   Phone Call Support

Part 2: Business

Competitor Analysis

Remitly is yet to turn profitable, despite its massive growth in the last few years. One of the biggest challenges faced by Remitly is its competitors. Here are some of the earning comparisons between Remitly and its top competitors.

	Remitly			TransferWise			WorldRemit			OFX		
Year	2021	2020	%(+/-)	2021	2020	%(+/-)	2021	2020	%(+/-)	2021	2020	%(+/-)
Revenue (US$) In Millions)	458.60	257.00	78% ▲	522.04	375.72	39% ▲	399.4	238	68% ▲	158	134.24	18% ▲
Transfer Currency Value	20400	12100	69% ▲	66960	52080	29% ▲	N/A	N/A		33200	25600	30% ▲

(US$) In Millions												
Net Income (US$) In Millions	-38.8	-32.6	**19%▲**	51	24.8	**105%▲**	116.1	45	**158%▲**	25.7	13.04	**97%▲**
Stock Price (US$)	20.92	-	-	938.18	-	-	-	-	-	0.84	0.81	4%
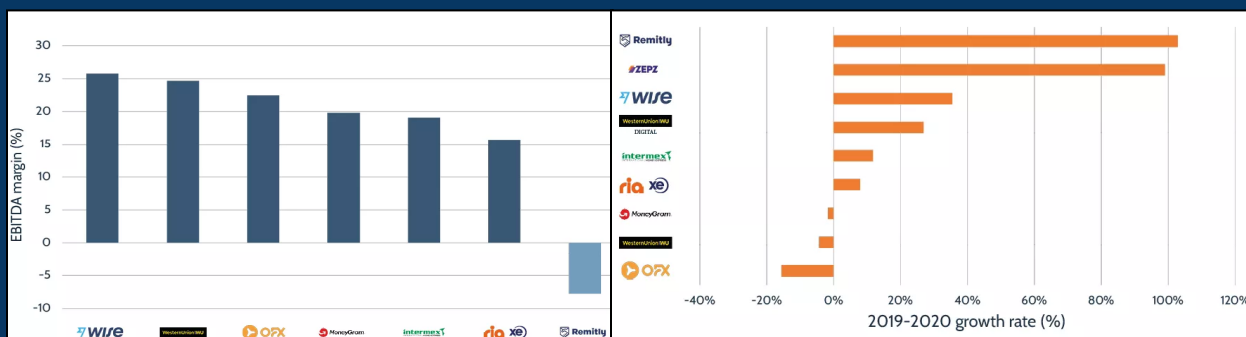
Biggest Competitor Analysis Takeaways

- Remitly's revenue per customer surpasses many competitors in the consumer money transfer space, including Western Union's digital offering.
- High-level of repeat business and customer retention demonstrates customer satisfaction and value provided by Remitly.
- Despite having smaller customer numbers than some major competitors, Remitly has strong economics per customer.
- Remitly's take rates are competitive in the industry and outperform on volume per customer in comparison to most competitors.

Remitly's Business Model (Revenue Source)

Remitly invests a lot in keeping the customers as its primary focus. The secondary focus is business → revenue generation.

Remitly's Business Model explained through a scenario:

Let's say Aditya wants to send $1000 to his family in India. Aditya is in the United States and has USD. His family, however, required INR.

When Aditya uses Remitly,
[Money Transfer] He will be charged a fee for the transfer. The fee may vary depending on the amount of money he is sending, the destination country (India), and the method of payment. If Aditya uses his debit or credit card to send the money, the fee may be higher than if he uses a bank account. In this case, $1000 converts to approx INR 81975. Since Aditya opts for a debit card transaction, and express transfer, he'd be charged with the respective transfer fee, and the money credited to the receiver account will be less than INR 81975, say 81500.

The difference of INR 475 is Remitly's primary source of income.

[Exchange Rate] Remitly would have primarily converted the USD at a mid-market rate (the rate banks use to exchange money) ($1 = INR 82.20) and stocked up. Therefore When Aditya sends the money, Remitly will convert the USD to INR using an exchange rate that is usually slightly different ($1 = 81.98) than the mid-market rate. The difference between the exchange rate Remitly uses and the mid-market rate is known as the spread. Remitly earns a profit from this spread. In this example, Remitly would have received INR 82200 for the $1000 conversion.

The spread here INR 225 (82200 - 81975) is Remitly's second biggest source of income.

Sales Process

Remitly is a digital remittance company that allows people to send money abroad. The company's sales process can be divided into two parts based on the product and end users:

Remitly Mobile App and Website (B2C):

- Lead Generation: Remitly generates leads through various channels such as online ads, social media, referral programs, and partnerships with banks and financial institutions.
- Showing Product Value: In order to tie bigger clients and businesses that want to use Remitly as their primary medium of remittance, the sales team sales team provides a demonstration of Remitly's platform and how it works to help the lead understand the benefits of using the service and key product differentiators
- Closing: If the lead is interested in using Remitly's services, the sales team will assist them in signing up for an account and completing the transaction.
- Follow-up: Remitly's sales team will follow up with the customer to ensure their satisfaction and address any questions or concerns.

Customer Success Team: The customer success team plays a vital role in the entire sales funnel at Remitly. There are dedicated account teams focused on providing maximum value to customers right from the beginning of their engagement. The customer success team works closely with cross-functional teams to ensure that customers and potential customers have a smooth onboarding experience and that their requirements in terms of adding features and adding value to the product are met. They host dedicated weekly/bi-weekly cadences with big customers with the eventual goal of retaining them at the end of the contractual tenure.

Remitly for Developers:

- The sales teams focus here is on the inbound requests from potential customers who want to access Remitly's API services for their specific use cases.
- After receiving the contact and general requirement information from the customer(s), the sales team reached out to the customer to set up a quick call to better understand their requirements, and explain their pricing structure.

- The rest of the sales cycle is similar to Remitly's platform services, with frequent touchpoints.

Current Key performance indicators and general direction

Remitly's 2021 key performance metrics included the following results.

- Active customers for the fourth quarter of 2021 increased to 2.8 million, from I .9 million, up 50% year Over year.

- Send volume for the year ended December 31 , 2021 increased to over $20.4 billion, from S 12.1 billion, up 70% year over year.

- Average revenue per active Customer for the fourth quarter of 2021 increased 13% year over year to S47.69.

The key business metrics that Remitly uses to measure the performance of their business are defined as follows:

- "Active customers " is defined as the number Of distinct customers that have successfully completed at least one transaction using Remitly during a given calendar quarter. We identify customers through unique account numbers.

- "Send volume" is defined as the Sum Of all customers' principal, measured in U.S. dollars, related to transactions completed during a given period. The customer's principal is net of cancellations, does not include transaction fees from customers, and does not include any credits, offers, Or bonuses applied to the transaction by us.

- "Average revenue per active customer " is calculated by taking revenue for the quarter, divided by quarterly active customers.

As active customers are measured on a quarterly basis, the data for the full-year periods for active customers and average revenue per active customer is not meaningful, and therefore both metrics are only presented on a quarterly basis herein.

Customer Acquisition Channels:

- Online Advertising: Remitly invests in online advertising, including search engine advertising, display advertising, and social media advertising, to reach potential customers.

- Referral Programs: Remitly incentivizes its existing customers to refer their friends and family to the platform by offering referral bonuses.

- Partnerships: Remitly partners with organizations and companies in related industries, such as financial institutions, remittance companies, and mobile money providers, to reach new customers.

- Public Relations: Remitly uses public relations and media relations to increase brand awareness and generate positive media coverage.

- Content Marketing: Remitly creates and distributes educational content, such as blog posts, infographics, and videos, to educate potential customers about its services and build trust in the brand.

- Events and Conferences: Remitly participates in events and conferences related to the remittances, fintech, and financial services industries to network with potential customers and build relationships.

There has been a dedicated focus from Remitly to reduce their customer acquisition costs by increasing brand awareness through increased marketing through various channels,

improving their referral system and making improvements to their remittance speeds. This resulted in an 11% decrease in their overall customer acquisition cost between Q1 and Q2 of 2022. (check infographic below)
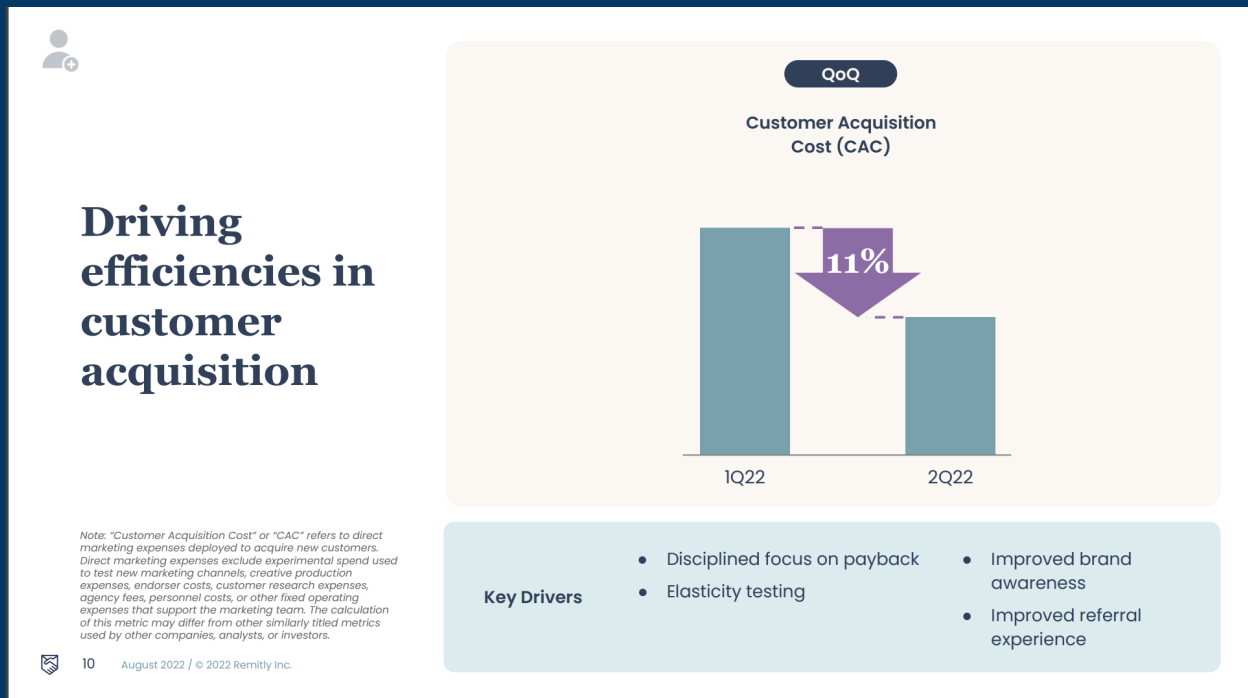
Part 3: Customer

Target customers and personas

Remitly's targeted customers are individuals or businesses who need to send money to other countries. This can include immigrants sending money to their home countries, international students sending money to their families, or businesses making international payments. The main customers of Remitly are typically immigrants, expatriates, and other people who need to send money abroad.

Personas
- Immigrants: They are the primary users of remittance services, sending money to their home countries to support their families.
- International students: They often need to send money to their families back home to help with expenses.
- Small Business Owners: They may use Remitly to make payments to international suppliers or to pay employees working abroad.
- Travelers: They may use Remitly to transfer money to a bank account in another country.
- Expatriates: They may use Remitly to send money to their home countries or to transfer money to a bank account in another country.
- Online Sellers: They may use Remitly to transfer money from international customers.

Pain/Gains

Each of these personas have a series of experience that led them to switch to Remitly due to the below pains and the gains offered by Remitly.

Pains:
- High fees for international transactions
- Long wait times for international transactions
- Lack of transparency
- Limited payment options (Cash, check, bank transfers)
- Complicated use of payment methods
- Limited reach in a number of countries transactions can be made
- Trust and security of personal financial information

Gains:
- Speed in transfers
- Low transaction fees (cost to the business)
- Ease of use/convenience
- Wide options of the country to send money to
- Security and trust in the service
- Customer support (24/7 support on transfers as opposed to banks or Forex agencies)

Needs

- Completing a root cause analysis of the pains and gains identified above, the following are the basic needs people come on Remitly to fulfill:
- Urgency to send money for emergencies or time-sensitive purposes
- Satisfaction of choosing an efficient and economic option from the alternatives possible.
- Cheap transfers to address economic hardships, especially for international students and individuals earning to support their families in their home countries.

- Protection of personal information and surety that the money they send reaches the recipient and their funds are protected from fraud or theft
- Avoid stress: In a world with increasing mental health issues, the stress of money transfer acts as an unwanted addition to the list. People want to avoid it at all costs and thus get ready to pay even extra amounts as long as security and efficiency are ensured.

Experience

A thematic analysis of the reviews posted by current and past Remitly customers indicated how the experience map fluctuates along the customer journey of Remitly users. Based on the findings, the following are the positive and negative experiences as indicated by the customer:

Positives	Negatives
Delivery in minutes	Occasional delays
Reliability	Delay in customer support and ticket resolutions
Affordability	Does Not support domestic payments
Opt in for cash pickup, bank, multi-location transfer	Limits on sending a large amount of money (Daily or monthly)
No hidden fee	35% of fees are hidden in the exchange rate margin.
Promotions to first-time users	Limited number of origin countries that cannot send to each other
Multiple pay-in and pay-out options	Dated website
Locking exchange rates at the time of transfer	Too many identity verifications requests

Satisfactions

Our research and talk with a Remitly PM (Avish Jain) indicated that customers come to Remitly for different reasons and have very different definitions of satisfaction with the services that Remitly provides. An exhaustive list of factors affecting customer satisfaction for Remitly:

- Transfer speed: Higher the transfer speed for the amount, the better it is for Remitly users. However, in a gain and pain context, customers like it better if the speed is accompanied by the minimum payment possible.
- Fees and exchange rates: cost of using Remitly's services, including fees and the exchange rate applied
- User experience: the ease of use and simplicity of the Remitly platform, including website and mobile app usability
- Customer service: quality and availability of customer support, including responsiveness to inquiries and resolution of issues
- Security and reliability: confidence in the safety and security of personal information and funds transfers
- Availability of cash pick-up options: accessibility of cash pick-up locations in the recipient's country
- Payment options: a variety of payment options available to the sender, such as bank transfer, credit/debit card, etc.
- Destination country coverage: availability of Remitly's services in the recipient's country.

Part 4: Technology

High-level architecture

Technology platform -

- Remitly's technology platform was purpose-built to power its mobile-centric suite of products, connect their global network, localize marketing, products and experiences, and drive their data-driven approach.
- Given the scale of the business and complexity of digital cross-border payments, their technology platform has broad and complex capabilities and, together with the data, gives a unique advantage in understanding the customers. Its technology platform is comprised of the following:
- Marketing technology stack that enables their marketing team to efficiently operate and improve the quality of customer experiences by supporting their localization strategies and efficiently capturing and analyzing data to ensure maximum long-term return on their marketing investments;
- Core transaction engine that underpins the entire transaction lifecycle from pricing and FX, to funding, processing, and, ultimately, to disbursement;
- Customer experience engine with corridor-specific user journeys and multilingual self-service or real-time support;
- Disbursement system for partner integrations that support a diverse set of delivery methods in over 115 countries; and

- Multi-layered machine learning and data-driven fraud and risk management capabilities (KYC, anti-money laundering, etc.), in compliance with highly complex and continuously evolving global and local regulations.

Stack health analysis

1. CloudZero Solutions -

CloudZero is a solution that lets Remitly account for all of their AWS costs without much effort and proactively notifies them of changes. Without manual tagging effort, they were immediately able to improve allocated resources from 60% to 90% coverage compared to their homegrown tool.With CloudZero, Remitly now has a way for their nearly 150 engineers to easily understand their costs and how they relate to their products. They receive regular product-specific updates and cost anomalies in Slack, then can quickly drill down into any cost to understand the source of it.

2. CrowdStrike Falcon® LogScale

Remitly uses CrowdStrike Falcon® LogScale to ingest and examine massive volumes of streaming log data from a variety of different sources at scale. Falcon LogScale improves DevOps and SecOps observability, helping the financial services firm increase insights and make faster, better-informed decisions while reducing TCO. With Falcon LogScale, Remitly is able to transform about 40% of its raw data into meaningful information that delivers value to the business.

Costs and Expenses -

Technology and Development. Technology and development expenses consist primarily of personnel-related expenses for employees involved in the research, design, development, and maintenance of both new and existing products and services, including salaries, benefits, and stock-based compensation.

Technology and development expenses also include professional services fees and costs for software subscription services dedicated for use by our technology and development teams.

Technology and Development

	Year Ended December 31,		Change	
	2019	2020	Amount	Percent
		(dollars in thousands)		
Technology and development	$ 32,008	$ 40,777	$ 8,769	27 %
Percentage of revenue	25 %	16 %		

Technology and development expenses increased by $8.8 million, or 27%, for 2020, compared to 2019. This increase was driven by a $7.3 million increase in personnel-related expenses, including stock-based compensation expense, resulting from a 27% year-over-year increase in technology and development headcount, partially offset by a $2.0 million decrease in compensation expense related to a tender offer that occurred in 2019. The increase in technology and development expenses was also driven by $3.5 million in software costs for employee tools and cloud services due to growth in both headcount and the volume of transactions.

Range of technologies -

- Web development frameworks - Remitly's website is built using web development frameworks, such as Ruby on Rails, Django, or AngularJS.
- Content Management Systems (CMS) - Remitly uses a CMS, such as WordPress or Drupal, to manage the content on its website.
- Cloud computing - Remitly leverages cloud computing services, such as Amazon Web Services (AWS) to host and manage its website, ensuring high availability and scalability.
- HTML, CSS, and JavaScript - Remitly's website is built using HTML, CSS, and JavaScript to create a visually appealing and interactive user experience.
- Analytics and tracking technologies - Remitly uses technologies such as Google Analytics to track and analyze visitor behavior and improve the performance of its website.
- Marketing automation tools - Remitly uses marketing automation tools, such as Marketo or Pardot, to manage and automate its marketing campaigns.
- E-commerce technologies - Remitly's website also includes e-commerce capabilities, such as payment processing and order management.

Emerging technologies at Remitly

Remitly has been actively exploring and utilizing various emerging technologies to improve its services and customer experience. Some of the technologies they have been exploring include

- Artificial Intelligence (AI) and Machine Learning (ML) - Remitly uses AI and ML algorithms to analyze customer behavior, improve the accuracy of their fraud detection systems, and streamline the transaction process.
- Blockchain technology - Remitly has implemented blockchain technology to increase the speed and security of cross-border transactions, ensuring that customers' funds are processed faster and with more security.
- Mobile technology - Remitly has a mobile-first approach and has developed a user-friendly mobile app to provide customers with easy and convenient access to their services. The app provides real-time updates on transactions and notifications, allowing customers to keep track of their money transfers.

Vendor and Service Utilization

- Remitly's services utilize resources operated by third-party providers including Amazon Web Services ("AWS"), a provider of cloud infrastructure services. Remitly does not have control over the operations of the facilities of AWS and other third-party providers that they use.
- Banks and financial institutions → Remitly has primarily partnered with over 3,600 global disbursement partners including major banks, cash pick-up, and mobile wallet partners to ensure seamless and fast transfers of funds between customers and their recipients (10K Filing, 2022).
- Foreign exchange providers → Remitly partners with foreign exchange providers to help customers get the best exchange rates and make their transfers as cost-effective as possible.

Problems and Opportunities:

Remitly

Based on the current state analysis, following is a summary of the problems and opportunities as identified in each section.

Sr No.	Problem	Bucket	Opportunity	Impact	Effort	Priority
1	Geographical limitations in receiving money and corridor limitations (competitors have more countries)	Business	To improve international relations in Asia and African countries where corridors are still in development. To also partner with more local banks and Financial institutions across those regions to increase the corridor count globally	High	High	Medium
2	Different pricing for different countries and corridors	Product	Clarity in the UI on how the rates change by changing the destination country	Medium	Low	Medium
3	International bill payments are not available currently which competitors offer (Xoom)	Business	Addition of international bill payments feature in the App	High	Low	Low
4	Remitly operates in a highly competitive market with many established players like Western Union and MoneyGram. It may be challenging for Remitly to continue to grow and maintain its market share in the face of such intense competition.	Business	Remitly can expand into newer markets, especially in Asia and Africa where there is still a high demand for remittances, by leveraging 3600+ banking partnerships they have across the globe.	High	High	Medium
5	Fluctuations in exchange rates: Exchange rate dependency as the second highest source of revenue is very unstable, as they directly lead to fluctuations in revenue and profit margins.	Product	This is not an issue for express transfers as they happen within seconds. However, for the normal delivery, the exchange rate is locked at the time of order placement and might result in profit or loss depending on the market. To solve this, Remitly should offer incentives on express payments.	High	Low	High
6	Limited options for transfer speeds as compared to the competition	Product	Monetization/commission on the transfer speed and type: Currently Remitly offers express, and economy. They can explore premium features for customers with more range of transfer speed with cost involved. They can further explore monetization of automating repeat transactions.	High	Low	High
7	Remitly users indicated that it has way too many identity verification requests	Customer	While security is important, identification of areas where the verification process can be streamlined and additional steps can be avoided will help optimize the time spent on onboarding of new customers. Further, the company can also implement emerging technology solutions, such as artificial intelligence and machine learning, to automate parts of the verification process and reduce the number of requests.	Medium	Medium	Medium

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