Revolut

Marketing Strategy

Daniel Machado, up201506365
Igor Silveira, up201505172
Iván González, up201811423
Eduarda Cunha, up201506524
Nuno Pereira, up201506265

Who is Revolut?

Tech company dedicated to making banking
easier and cheaper worldwide for its users as a neobank.

Why Revolut?

- Developed by young tech entrepreneurs with fresh ideas and up to date mentality;
- Very recent in the market;
- We personally identify with the company's vision.

Environmental and Market Analysis

Porter's 5 Forces

Threat of New Entrants

- Market regularization:
- Digital Structure - lower costs;
- Lack of confidence.

Bargaining Power of Suppliers

- Money sources are dependent from the market;
- Multiplication of the actors at the Fintech market;
- Digitalization of banking market.

Competitive Rivalry

This industry is growing
Similar products - N26

Bargaining Power of Buyers

- Lack of trust;
- Access to information / Easy to compare.

Threat of Substitute Products

- Traditional banks propose similar services;
- This banks already have loyal customers ready for the digital era.

Pestel Analysis

Political

- Political stability;
- Foreign relations - african market;
- Low taxes - future company office.

Economical

- Strong competitiveness of the sector;
- Logic of partnerships and fundraising;
- Loss of monopolies.

Social

- Behavioral changes of the masses (Notions of online identity changing);
- Emergence of new competition;
- Better access to information;
- Increased environmental problems awareness.

Technological

- Open Banking;
- Digitalization;
- Data security.

Environmental

- No need to maintain a network of agencies throughout the territory;
- Reduction of paper consumption and reduction of greenhouse gas emissions related to travel.

Legal

- Respect for the legal framework of each country in which it develops and the internal rules;
- Network security and user data, respect of the RGPD.

Understanding customer needs

Price	Functionality | Convenience | Efficiency	Performance | Experience	Transparency | Control

There are around 500 branch banks in Germany, which, in total, have around 12000 branches. These branches are expensive and, by eliminating them, startups like Revolut can offer almost all of their services for **free** or at extremely low **fees**.

By moving an old and traditional business entirely to an online bank operated by a mobile app, Revolut aims to help customers solve their problems or desires in a convenient and efficient way that would otherwise be a time-consuming process.

When trying to integrate in today's modern world and fast-paced youngsters, the application used always needs to be in compliance to the speed/experience expected by these users.

Customers expect transparency and a feel of being in control from a company they are doing business with, which Revolut provides.

Companies who provide services similar to Revolut's:

- BrainTree **Braintree** *A **PayPal** Service*

- WeSwap **WeSwap**

- Curve

- TransferWise **TransferWise**
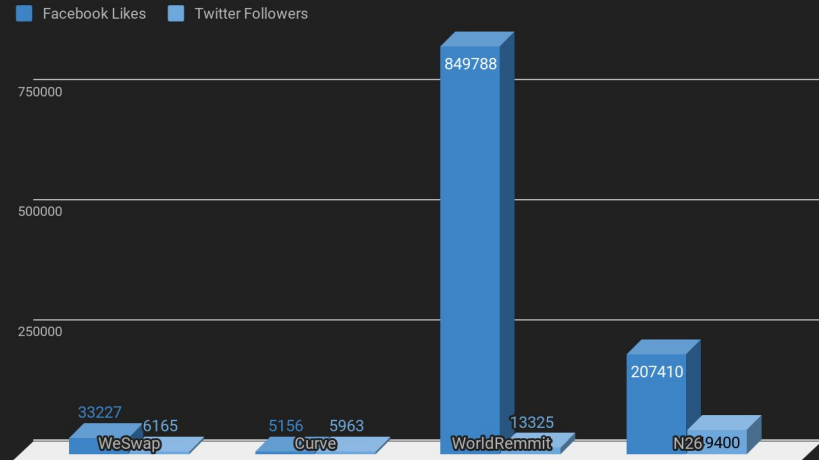
- WorldRemit **worldremit**

- N26 **N̄26**

Competitors

Analysing competitors' offerings and respective positioning (2/8)

	BrainTree	WeSwap	Curve	TransferWise	WorldRemit	N26
Location	Chicago, US; Sydney, AU; Paris, FR; Singapore, SG; London, GB; San Francisco, US; New York, US	London, GB	London, GB	London, GB; Pyrmont, AU; Tallinn, EE; Budapest, HU; Chiyoda, JP; Kuala Lumpur, MY; Singapore, SG	London, GB	Austria; Belgium; Estonia; Finland; France; Germany; Greece; Iceland; Ireland; Italy; Liechtenstein; Luxembourg; Netherlands; Norway; Portugal; Poland; Slovakia; Slovenia; Spain; Sweden; United Kingdom
Net Income	N/A	$-5 764 165	N/A	$6 244 000	$-19 451 436	$4 690 000

Considering their location of operations and service offerings, we are left to consider only **WeSwap**, **Curve**, **WorldRemit** and **N26**, since the other companies' resources are spread outside of Europe, which is why we do not consider them direct competitors for the plan we have for Revolut.

Considering our target audience of young people and Internet enthusiasts, **the more online popularity a company has, the most interesting it is as a competitor** in terms of offerings and positioning analysis.

Popularity

■ Facebook Likes   ■ Twitter Followers

	Facebook Likes	Twitter Followers
WeSwap	33227	6165
Curve	5156	5963
WorldRemmit	849788	13325
N26	207410	9400

- **WorldRemit** as most popular amongst Facebook users despite only being present in London;
- **N26** as 2nd most popular. It is available in 24 countries and has a good follower base both on Facebook and Twitter.
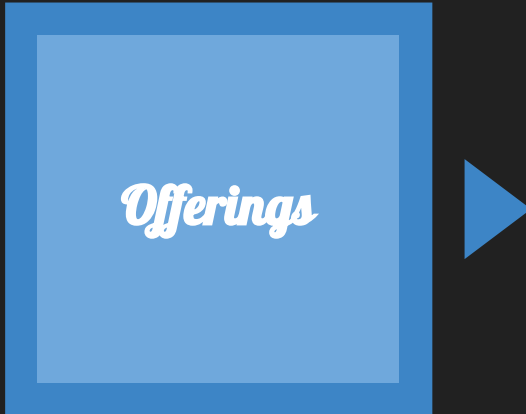
Offerings

WorldRemit:
- Transfer money from 50 countries to 150 countries;
  - Methods:
    Cash pickup, bank deposit, mobile money (electronic wallet service) and airtime top-up.
- Customer Service 24/7;
- Secure and FCA regulated;
- Fair and competitive rates.

Value Proposition: "A better way to send money"

Offerings

<u>N26:</u>
- Accounts can be created in 22 countries;
- 0€/month:
  - No rates in foreign transactions or any currency;
  - Own card with free ATM withdrawals in euros.
- 9.99€/month:
  - All benefits from free plan;
  - Free withdrawals worldwide;
- Allianz insurance package;
- Customer Service on limited timeframe;
- Transfers completed within:
  - 1 baking day if between accounts from different banks;
  - Instantly if between N26 accounts.

Value Proposition: "Banking made simple"

Offerings

How is Revolut's service similar to WorldRemit?
- Transfers in over 150 countries with no fees;
- Instant transfers.

How is Revolut's service similar to N26?
- Users are given up to $200/month in ATM withdrawals for free;
- Insurance plan;
- Offers different plans with added benefits.

Although WorldRemit and N26 offer slightly different services, their **positioning is similar** since it intends to **portray their service as something that will ultimately make banking easier and cheaper for their customers**.

While WorldRemit is mostly transfer based, N26 works as a neobank (online bank).
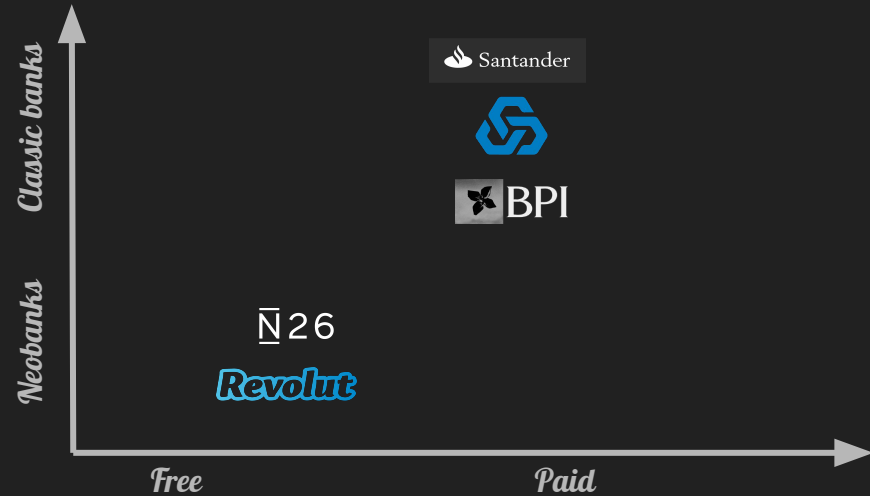
Positioning

Different ideas

Although we did not consider TransferWise for offerings and positioning analysis, this company has proven to have a very interesting approach to marketing strategy, which has caused it to gain increasing popularity over WorldRemit.

This marketing campaign plays on human emotions to depict traditional banks as thieves and solutions such as the one provided by TransferWise as the hero.

TransferWise's video campaign:
"Daylight Robbery - What would you do?"

"Playing Robin Hood gives it another strategic benefit: positioning itself against the massive banking industry, not just other money transfer services." (Nandini Jammi on Transferwise vs Worldremit)

Market Segmentation

There are various ways of segmenting the market.

These approaches can be:
- Demographic;
- Behavioural;
- Psychographic;
- Geographic.

Through some of this different approaches we can identify a set of potential customers groups.

Geographic segmentation

Segmenting the market by, as the name says, geographic areas such as countries or even more detailed segments as big cities of some countries.

Demographic segmentation

We are going to consider the age (young, middle age or old), life cycle (student, just graduated, experienced worker, retired), and income level (high, average or low).

Psychographic segmentation

Includes personality (risk takers, geeks), lifestyle (travelers, tourist), activities and interests. An example of this kind of segmentation is Zara markets, that target to customers who want the latest and differential clothing.

Behavioral segmentation

The act of grouping customers based on how they act as consumers when making purchasing decisions. Some behaviors that marketers look at when segmenting customers include readiness to purchase, loyalty, the usage rate, benefits sought among other factors.

Market Segmentation

Our segmentation was done mainly considering some demographic and psychographic factors as will be seen ahead.

Market

Segmentation

Demographics	Psychographics
Age	Lifestyle
Life Stage	Interest
Education	Concerns

Defining the target customer segments (1/2)

Targeting

Analyzing potential target customer markets is a **key step** in the marketing process for companies.

Market segment:
Selected group of potential customers in a larger audience that the company views as its **most profitable, long-term opportunity customers.**

By **identifying the company's best customers**, it is possible to focus on the best media to reach them and the best messages to get their interest, which turns out to be a lot more profitable for the company than general advertising.

Defining the target customer segments (2/2)

Targeting

Our goal:

Reach young people such as:

- **Students**;
- **People looking into travelling online**;
- **People who do online shopping**.

The most probable profile to fulfil these characteristics are young people, presumably studying or recently graduated that usually **worry about saving money** where they can.

Furthermore, **experiencers** or people who just **enjoy to travel** are a potential target as well.

Positioning the service offering in the target markets (1/2)

Positioning

What is our primary means of communication?
Social media.

By taking advantage of customers' behavior tracked data, we can shown our propaganda mainly to people who have been **looking into travelling**, made a **recent internet purchase** or who are **college students** as they are more likely to go study abroad in interchange programs, travel spontaneously or simply wanting to simplify transactions.

Positioning the service offering in the target markets (2/2)

Positioning

How do we want to portray the service?
- Highlight main characteristics:
  - Portability;
  - Efficiency;
  - Security;
  - Simple interface;
  - No rates.
- Make it look attractive and innovative;
- Reinforce an association between the idea of traveling and making your life (or at least your finances) easier.

Take advantage of N26's security scandal

Ideas:
Learn from competitors and follow alongside TransferWise's example by creating a series of metaphorical videos on Youtube of day to day situations that trouble us and that can be compared to something this service can fix for us.
This particular generation is already prone to feelings of rebellion and revolution, particularly towards big industries, which is why the Robin Hood factor could be particularly efficient.

Defining the marketing strategy (1/2 SWOT Analysis)

Strengths

- Innovative, modern, fast and transparent service;
- Over 150 currencies;
- 5 cryptocurrencies;
- Cashback perks partnerships;
- No physical infrastructure restrictions.

Weaknesses

- Company growth rate;
- Easy to imitate interface;
- Small portion of the current market;
- Customer data management.

Opportunities

- Enter the investment market;
- Partnerships with other companies for extra perks;
- Customer experience;
- Take advantage of the customer life value.

Threats

- Strong competitiveness of the sector;
- Security;
- Credibility.

Defining the marketing strategy

Marketing Strategy

Digital Marketing:
- Expose our service to specific social media users (FB,YT,TW,IG) based on their internet activity;
- Since young people are prone to rebellion, particularly towards big corporations, showing ourselves like the alternative could be efficient "Join the **Revolut**ion".

Experiential and Relationship Marketing to create a base of loyal customers and attract new ones:
- Invite users to document and share in short vlogs how Revolut has made their lives easier, share their videos on company's social media and reward them for it.

Classic Marketing:
- At the most touristic points of each city, show all of our partnerships and how easy it is to use our app;
- Promote Affordability. For students one important aspect is the price, so a student special price could be a good way to attract them;
- Provide an incentive. The first month the customer will be premium for free and also receive loyalty rewards.

THANK YOU