



Coinsource

PaaS B2B Marketing Plan



OREGON TECH

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Coinsource B2B Bitcoin ATM PaaS Growth Strategy

Coinsource, launched in 2015, is the world’s leader in Bitcoin ATMs (BTM) (figure 1). While expanding their own network of BTMs over the last five years, the company has put significant resources into developing a cutting-edge compliance platform and end-to-end service model. As a result, in January of 2020, the company introduced their new All-in-One Network Model which offers franchising opportunity to businesses and investors to own a BTM network utilizing Coinsource’s turnkey white-glove Platform as a Service model (PaaS).



Figure 1: Coinsource BTM

Coinsource has an immediate need to promote this BTM Network Model to expand their presence in this fast-growing market. Their long-term goal is to process 80% of the world’s BTM transactions. With these goals in mind, the following marketing analysis and strategy was developed. This report includes a market analysis, end-user and business-to-business analysis followed by a market strategy that considers Coinsource’s short-term and long-term goals, and specific tactics to achieving the desired results.

Market Analysis

BTM Growth

The cryptocurrency industry is expected to grow worldwide at a 6.18% compounded annual growth rate (Cryptocurrency Market, 2018). The number of Bitcoin ATM’s installed at the beginning of every year has shown an average year-over-year growth rate of 186% from 2016 to 2020 (Coin ATM Radar, 2020). Specifically, the number of BTMs installed at the beginning of 2016 was 499. This has grown to over 7000 at the start of 2020 (Coin ATM Radar, 2020). The projected growth of BTMs is expected to top 90,000 by 2024 as seen in figure 2, using a weighted 3-year average for year-over-year growth rate (Coin ATM Radar, 2020).

Industry Drivers & Opportunities

According to Nead (2020), the drivers of this industry include the stock market surge in recent years. Even with recent effects of the Coronavirus on the economy, investors are still interested in bitcoin as a diversification strategy (Muhney D., personal communication, March 16, 2020). Advances in blockchain technology allow for faster and more secure transactions, as well as an acceptance of the technology and growing understanding of cryptocurrency in the mainstream (Pellegrino, 2020). More and more retailers are now accepting bitcoin. Moreover, as many as 25% of US households are underbanked and BTMs have seen a rise in consumers use (Barry, 2019; FDIC National Survey, 2018). As the number of people sending funds across borders is increasing, cryptocurrency is seen as an attractive alternative to high remittance fees from traditional services (Di Salvo, 2018). The main end-users are now the underbanked and millennials, but Baby Boomers are a growing targeted user.

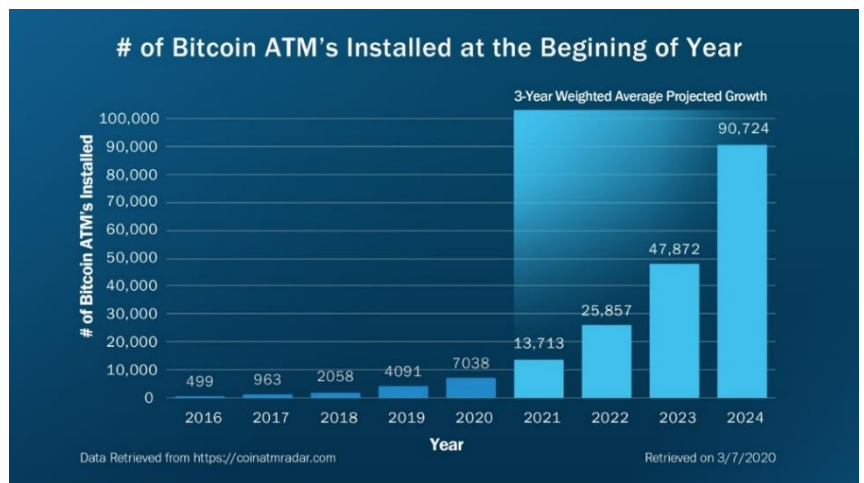


Figure 2: Project Growth of BTMs

Industry Challenges

There is uncertainty over the future of cryptocurrency regulations that could be enforced by governments. According to Nead, the negative media buzz associated with new regulations could affect crypto values and investor confidence (2018). Even with the safety of blockchain, cryptocurrency has a reputation as a dark market currency and is susceptible to hackers (Neal, 2018). The largest challenge with bitcoin is a lack of consumer awareness. According to a survey conducted by The Harris Poll in 2019, only 43% of US adults claim to be “somewhat familiar” with Bitcoin

(Bogart, 2019). This lack of end-user awareness creates a significant barrier for end-users as well as potential business investors. See the full marketing analysis in [Appendix A](#).

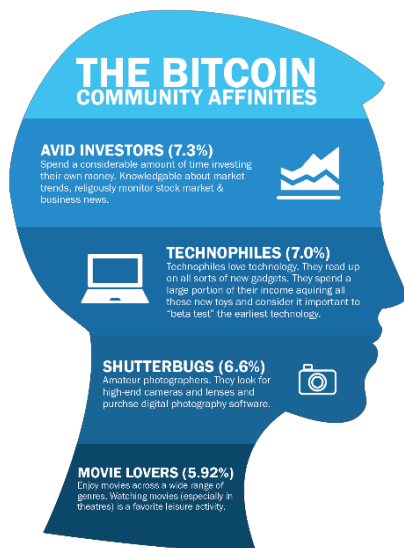


Figure 3: Bitcoin Affinities

B2C: Consumer Analysis

Based on the industry opportunities, this section will review the end-user who will be critical to the success of Coinsource’s Business-to-Business prospects and strategy. According to studies conducted by The Harris Poll (2019) and Google Analytics (2019), the largest affinities of the bitcoin community are avid investors, technophiles, shutter bugs, and movie and TV lovers (Bogart, 2019; Comben, 2019). See figure 3 and [Appendix B](#) for more information on affinities. The consumer market is divided into the millennials, underbanked, and baby boomers (Nead, 2018; Muhney D., personal communication, March 16, 2020). Full market personas and each of these consumer markets can be found in [Appendix C](#).



Millennials

According to The Harris Poll’s survey, 60% of the 21-37-year-old demographic is most familiar with bitcoin. This group also believes that most people will be using bitcoin in the next 10-year period. The Millennial group is the largest owner of bitcoin at 12 to 18% (Bogart, 2019). This generation is more accepting of new ideas, change, and their stronger interest in non-typical investments makes them a great target for Coinsource.



Unbanked/Underbanked

Underbanked people are those who manage their finances mainly through cash transactions, instead of through a bank account or credit card. Approximately 30% of this group do not trust banks or avoid banks to protect their privacy (Federal Deposit Insurance Corporation, 2018). Moreover, the underbanked also send money across borders. Bitcoin has been an attractive alternative to reduce transaction and remittance fees.

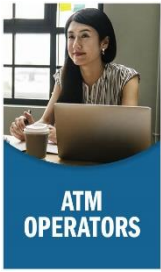


Baby Boomers

The Baby Boomer generation holds as much as 70% of the disposable income in the US and is therefore a prime target for financial industries (Pesce, 2019; Hoffower, 2019). This tech-savvy group outranks millennials in the number of hours spent online, according to Limelight Networks (2015). However, there are many challenges with this group in terms of awareness and buy-in. Only 32% of Baby Boomers are familiar with bitcoin, and only 26% believe that it will be used by the broader population (Bogart, 2019).

B2B: Market Segment Analysis

With the end users in mind, the following analysis reviews four key Business-to-Business (B2B) markets that should be pursued by Coinsource. B2B personas for each of these market segments can be found in [Appendix D](#).



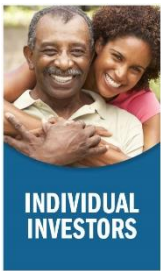
ATM Operators

According to Derek Muhney, current ATM Operators have been a significant market for the new PaaS product (Muhney D., personal communication, March 16, 2020). Independent ATM Operators have a network of ATMS with established locations often in convenience stores and gas stations. This market segment is adding BTMs using Coinsource's white label offering next to the existing ATMs to provide their store owners with an additional source of revenue which also drives the ATM usage (Muhney D., personal communication, March 16, 2020). See [Appendix E](#) for a list of ATM Operators.



BTM Operators

Current BTM Operators are also a potential market for the PaaS product. According to Derek Muhney, the current BTM operators are using costly third parties to manage a host of back-end processing and compliance (Muhney D., personal communication, March 16, 2020). With Coinsource's variable menu of services, other BTM Operators will find the PaaS product an attractive way to maintain their BTM brand while cutting back-end operating costs. The key to developing this market is the creation of a ROI calculator, successful case studies and promote compliance. See [Appendix F](#) for a list of BTM Operators.



Individual Investors

Another significant market segment for the PaaS product is individual investors. These investors are mostly male, between the age of 35-65 with a substantial net worth and a high tolerance towards risk (Comben, 2019). In particular, the FinTech services industry are increasingly targeting Baby Boomers due to their financial well-being. According to a survey conducted in 2018, 37% of Boomers consider cryptocurrency high risk (Clover, 2017). Connecting with these investors will require an awareness and education campaign, and positive experiences with bitcoin before significant investment will occur.



Corporations & New Industries

The final B2B group to target is established retail corporations like 7-Eleven, Walmart and Best Buy. While this group can require significantly more time and effort to establish, doing so will make many significant inroads. The customers of these companies directly connect to the targeted end-users and affinities of the bitcoin market. Developing partnerships with large corporations will establish Coinsource and BTMs in the mainstream and provide future opportunities as universal kiosks grow. Additionally, moving into new industries, like casinos, travel, and cannabis will expand Coinsource's footprint beyond convenience stores and gas station locations.

Marketing Strategy

The following marketing strategy was developed with Coinsource's short and long-term goals in mind. This market plan provides specific objectives, strategies and tactics.

Objective: Awareness & Disruption

Building on Coinsource's tag line - "*Coinsource is Revolutionizing the Industry,*" the first objective is for Coinsource to drive the industry by creating awareness about cryptocurrency among both consumers and investors. Coinsource must be an industry disrupter by replacing cryptocurrency's negative reputation with a message of compliance, untapped investment, and growth. Coinsource must strategically build awareness about themselves and bitcoin across multiple generations by tapping into influencers.

- **Strategy – Financial Services Industry:** Build awareness and credibility of bitcoin and Coinsource by partnering with influencers and experts in the financial services industry.

- **Tactic – Guest Post & Articles:** Coinsource should write guest posts about the viability and quality of BTMs as an investment. Also solicit well-known financial advisors to write about this industry. Focus placement in well-known and established financial sector publications such as Fidelity, *Enterprising Investor*, *Forbes*, *The Economist*, *Advisor Magazine*, *Invesco*.
- **Tactic – Case Studies:** Gather quality case studies to highlight success stories of investors. At financial conventions/trade shows, present these case studies and highlight investors (**Appendix G**).
- **Strategy – Develop Financial Advisors as Influencers:** Reach out to financial advisors about the viability of Coinsource’s PaaS as an investment.
 - **Tactic – Financial Planner Conventions:** Attend financial planning expos and conventions to educate attendees on Bitcoin and the profitability of BTMs (**Appendix G**).
 - **Tactic – Outreach:** Place advertisements in magazine publications targeting Financial Planner Professional such as *Financial Advisor Magazine*, *The Economist*, *Forbes*.
 - **Tactic – Incentivize Financial Planners:** Within the limits of current regulation, develop an incentive program for financial advisors to share opportunity in BTM Networks.

Objective: Strengthen Current Segments

Due to the fast-paced environment within the Bitcoin industry, Coinsource must continue to develop and expand their current targeted segments to stay ahead of the curve. The following three strategies will enlarge Coinsource’s current foothold into the ATM and BTM market while developing pathways to qualified individual investors.

- **Strategy – ATM Operators:** Coinsource should continue to target ATM Operators by transition from individual BTMs to Network ownership. A list of ATM Operators can be found in **Appendix E**.
 - **Tactic – ATMIA & Other ATM Conferences:** Feature Coinsource at the ATMIA conference which is the leading trade association for the ATM industry serving more than 11,000 operators across the world. Also expand attendance at industry Tradeshows and Conferences – See sample list in **Appendix G**.
 - **Tactic – Become Supplier on ATM Marketplace:** Become a supplier on ATMmarketplace.com, as the first BTM supplier.
 - **Tactic – Whitepaper & ROI Calculator:** Develop a success story whitepaper for the ATM Operator investors and develop a ROI calculator to show investment potential and breakeven timeline.
 - **Leverage the Future of Universal Kiosks:** Coinsource should plan for the future by partnering with innovative ATM Operators who are developing universal kiosks that can use Coinsource’s PaaS for processing.
- **Strategy – BTM Operators:** Coinsource should also target current BTM Operators and Manufacturers that will find the PaaS products an attractive way to maintain their BTM brand while cutting back-end operating costs. A list of BTM Operators and Manufacturers can be found in **Appendix F**.
 - **Tactic – Whitepaper & ROI Calculator:** Develop a success story whitepaper for the BTM Operators and develop a ROI calculator to show current third-party service compared to Coinsource PaaS.
 - **Tactic – Compliance:** Promoting Coinsource’s compliance features with BTM Operators will solidify them as compliance experts in the industry as government regulations roll out.
- **Strategy – Individual Investors:** Coinsource should build pathways to individual investors by pursuing franchising networks and GIS location mapping.
 - **Tactic – Franchising: International Franchise Association & Other Sources:** Coinsource should become a member of the International Franchise Association (IFA) which will allow Coinsource to attend their events/expos to generate leads. To increase exposure to investors interested in franchises, become registered on franchisedirect.com and franshiseopportunitites.com, and attend franchise expos.

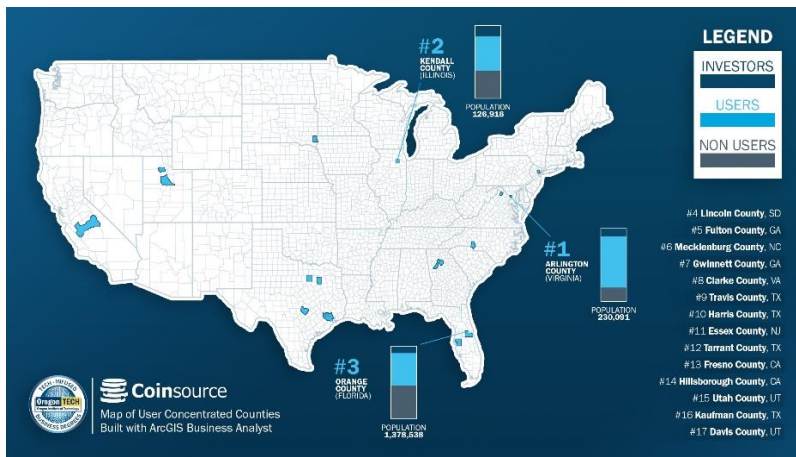


Figure 4: GIS Investor/Location Map

- **Tactic – GIS Mapping:** Coinsource should use Investor/Location GIS mapping to target individual investors who are currently using BTM and are qualified investors. The following map (figure 4) was developed to target individual investors by identifying counties with concentrations of BTM users and qualified investors. See **Appendix J** for a full explanation of the GIS map technology.

Objective: Explore New Segments

While pursuing the shorter-term market segments, also focusing on larger corporate partnership can create some large wins over time. While decision making is slower in the corporate arena, these “big fish” will create significant exposure and a step towards bitcoin becoming mainstream. Creating key corporate partnerships that have existing financial services may help Coinsource become a key resource of bitcoin processing. Also, moving into new industries, beyond the current established market segments, may help drive the growth of Coinsource and BTMs

- **Strategy – Corporate Partnerships:** Coinsource should partner with industries that relate to interests and affinities of bitcoin users. These partnerships will help develop further acceptance of bitcoin and will secure Coinsource as a processor.
 - **Tactic – Convenience Stores:** Pursue convenience store chains like 7-Eleven. These large convenience stores have established footprints and other financial services.
 - **Tactic – Large Retailers:** Pursue large chains like Best Buy and Walmart. A BTM Network could add to their current financial services.
- **Strategy – New Industries:** Coinsource should consider reaching beyond their current footprint and considering other industries that support bitcoin transaction.
 - **Tactic – Cannabis Industry:** The Cannabis industry has seen steady growth and is poised to continue to grow. Dispensaries have been transacting in bitcoin as an alternative currency to cash. See **Appendix H** for a full review of this industry.
 - **Tactic – Airport-based Currency Exchange Industry:** Pursuing companies like Travelex, airport currency exchange and financial services, who could benefit from adding BTMs.
 - **Tactic – Casino Industry:** Expanding into the casino industry, which often requires currency exchange, may allow Coinsource to gain a foothold into this industry.

Projection & Conclusion

Coinsource Projected Growth			
Year	Projected # of BTMs	Coinsource PaaS Growth Path	Coinsource BTMs/Processing
2020	7,038	10%	704
2021	13,713	30%	4,114
2022	25,857	50%	12,929
2023	47,872	75%	35,904
2024	90,724	80%	72,579

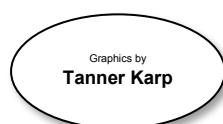
Figure 5: Projected Growth

Currently, Coinsource holds about 10% of the niche BTM market. Expanding Coinsource to meet their goal of processing 80% of the projected 90,000 BTMs by 2024, will require the multi-pronged aggressive strategy developed will help keep Coinsource on track. Key Performance Indicators (KPI), based on the growth timeline (see figure 5), will need to be developed for each strategy and specific tactic. An investment in human and financial resources will be required to expand the market segments, with continual tracking of KPIs to determine return on investment of each tactic. As data on each tactic is analyzed, strategies will need to be adjusted to meet this rapidly evolving industry.

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Coinsource

Appendices

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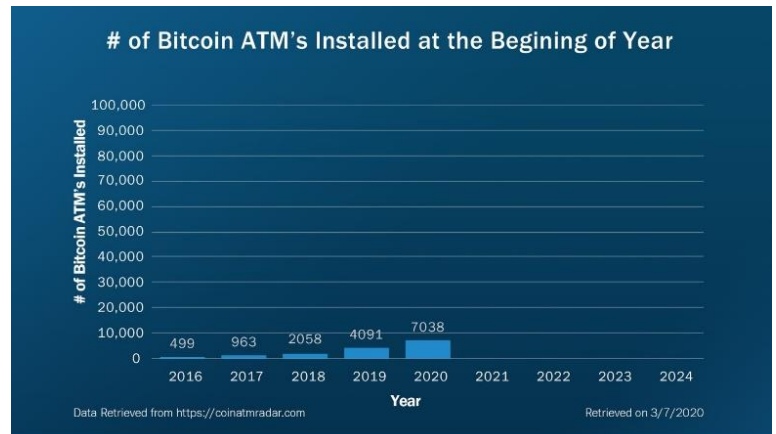
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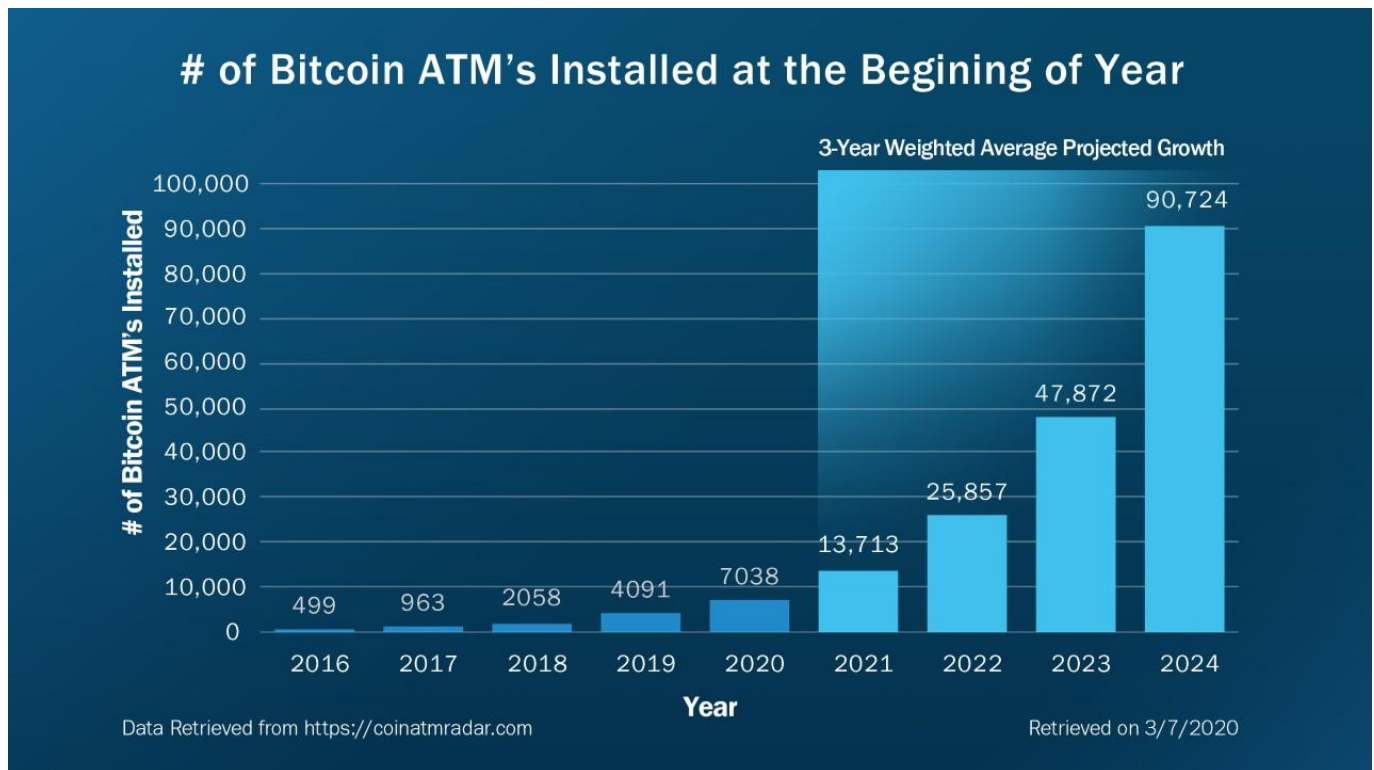
Appendix A: Market Analysis

Industry Growth: The cryptocurrency industry is expected to grow at a 6.18% compounded annual growth rate (Cryptocurrency Market, 2018). The number of Bitcoin ATM's installed at the beginning of every year has shown an average year-over-year growth rate of 186% from 2016 to 2020 (Cryptocurrency Market. (2018). Figure 1 shows the percentage growth of Bitcoin ATM's from the previous year for this time period.

Figure 2 shows the possible growth of Bitcoin ATM's using a weighted 3-year average for year over year growth rate in number of ATM's installed at the beginning of each year. This projection shows over 90,000 Bitcoin ATM's installed at the beginning of 2024.



Appendix A, Figure 1: BTM Growth 2016 to 2020



Appendix A, Figure 2: Projected Growth of BTMs

Cryptocurrency Industry Drivers:

- **Economic Expansion** As the stock market surges and investor confidence is high, willingness to invest in new assets such as Bitcoin & other altcoins rises (Nead, 2018).
- **Blockchain Technology** Advances in blockchain technology that allow for quicker, cheaper, more secure transactions continue to give cryptocurrencies their value and drive the success of the industry (Nead,

2018). The more blockchain technology is accepted, the more reputable cryptocurrencies rooted in the technology becomes (Pellegrino, 2020).

- **Investor Appetite** As investor desire to invest in cryptocurrencies grows, government and media give cryptocurrencies more attention legitimizing and taking steps to legalize the currency as an investment asset (Nead, 2018).
- **Remittance Fees** One of the fastest growing uses for cryptocurrency is to avoid paying large remittance fees when sending money across borders (Di Salvo, 2018). As fees rise, the use of cryptocurrencies as an alternative to traditional methods for sending remittance becomes more popular.
- **Retain Acceptance** The largest cryptocurrency, Bitcoin, has seen an incredible amount of growth in where the digital currency is accepted. On December 31st, 2013 there were 1,789 venues across the world that accepted Bitcoin. As of March 10th, 2020, there are 18,703 venues that will accept Bitcoin for goods or services (Coinmap, 2020). As merchants become more accepting of cryptocurrency as a legitimate form of payment, cryptocurrency acceptance with consumers continues to grow.

Challenges:

- **Regulation** There is uncertainty over the future of cryptocurrency regulation that could be enforced by governments. There has been a lack of regulatory oversight since the beginning of cryptocurrency industry's birth. Even compliance leaders could be hurt by new regulations that could create bad media for cryptocurrency and temporarily damage crypto values and investor confidence (Nead, 2018).
- **Volatility** A large population of people are not willing to invest in cryptocurrency because of its reputation for volatility. Cryptocurrencies are exposed to volatility because they now hold intrinsic value, have little regulatory oversight, and lack institutional capital. (Nead, 2018).
- **Cybercrime** Even with the safety of blockchain, cryptocurrency still needs to be proven as a safe asset to put capital in for investors. Cryptocurrencies have received a bad reputation as hundreds of millions of dollars have been stolen by hackers (Nead, 2018).
- **Lack of Consumer Awareness** As of Spring 2019, only 43% of U.S. adults claimed to be at least "somewhat familiar" with Bitcoin (Bogart, 2019). Being the largest cryptocurrency, and main cryptocurrency processed through crypto ATM's, consumers being unfamiliar with the technology has limited the potential consumer pool.

Opportunities:

- Expanded use of Blockchain technology in exponential uses/industries
- Cryptocurrency money transfers (Brown, 2017)
- Smart contracts
- Cryptocurrency Loans (Brown, 2017)
- Bitcoin ATM Expansion in Latin America (Cuen, 2019)
- Social Media Payments (Brown, 2017)
- Facebook's Libra cryptocurrency

References included with Memo References

Appendix B: Demographic Research & Community Affinities

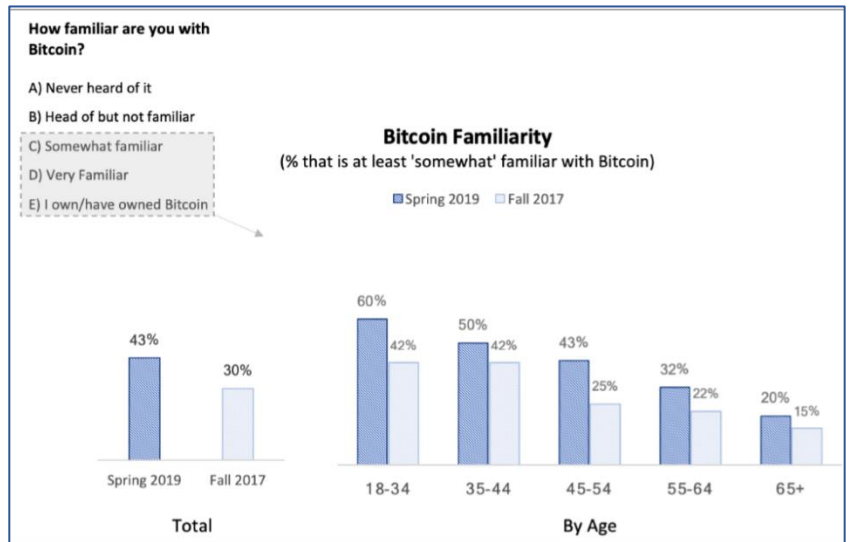
A 2019 survey of American adults performed by The Harris Poll on behalf of Blockchain Capital revealed some interesting trends about American adult's sentiment towards Cryptocurrency, specifically Bitcoin (Bogart, 2019).

Figure 1 shows the change in Bitcoin familiarity from Fall 2017 to Spring 2019 in different age demographics of US adults. As expected, the 18-34 year-old demographic is overall most familiar with Bitcoin and was tied for the largest jump in familiarity (Bogart, 2019). Interestingly, the results of this survey show an equal jump of 18% more familiarity for those aged 45-54 which is roughly the Gen X generation.

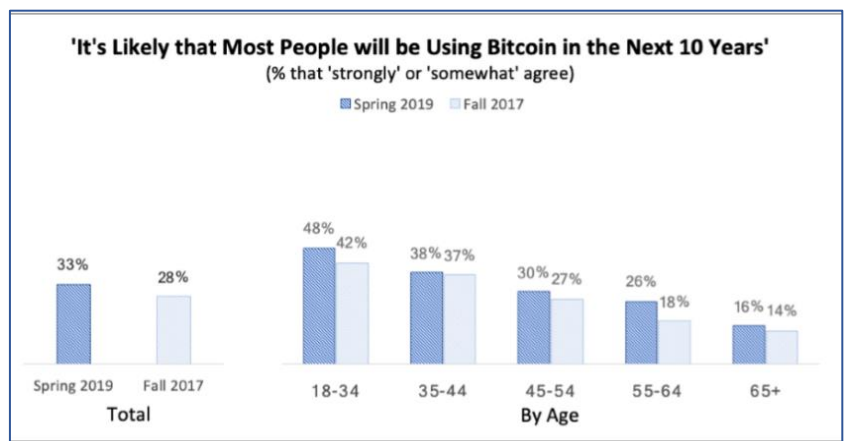
Every demographic showed an increase in conviction that the cryptocurrency Bitcoin would be being used by most people within the next 10-years as seen in figure 2 (Bogart, 2019). The largest jump in this belief was from the 55-64 year-old demographic which saw a 8% rise. This age demographic roughly captures the Baby Boomer demographic.

Overall, 9% of the group surveyed owned Bitcoin, as seen in figure 3 (Bogart, 2019). The 18-34 age range doubled the overall average, with 18% of the age group owning Bitcoin. The second largest demographic owning Bitcoin was the 35-44 year-old demographic. Only 4% of Baby Boomer and Gen X generation age groups owned Bitcoin.

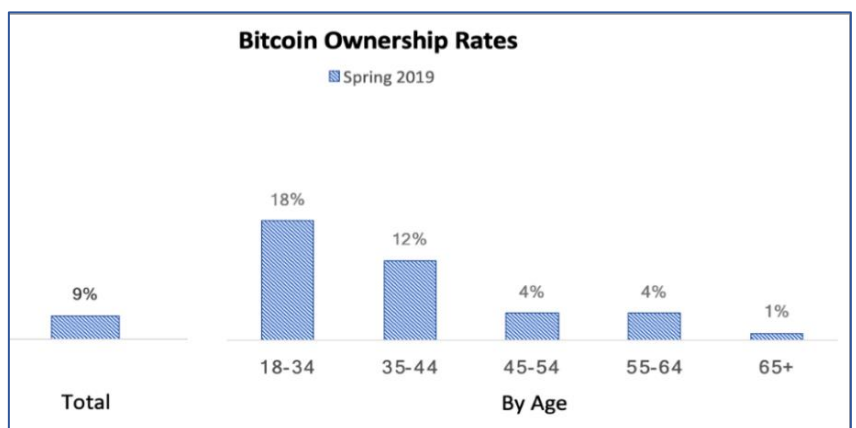
A Google Analytics report compiled by Coindance, showed over 90% of community engagement with Bitcoin is by Males (Comben, 2019). This Google Analytics data shows that age groups 25-34 and 35-44 had the most engagement with bitcoin.



Appendix B, Figure 1: BTM Familiarity



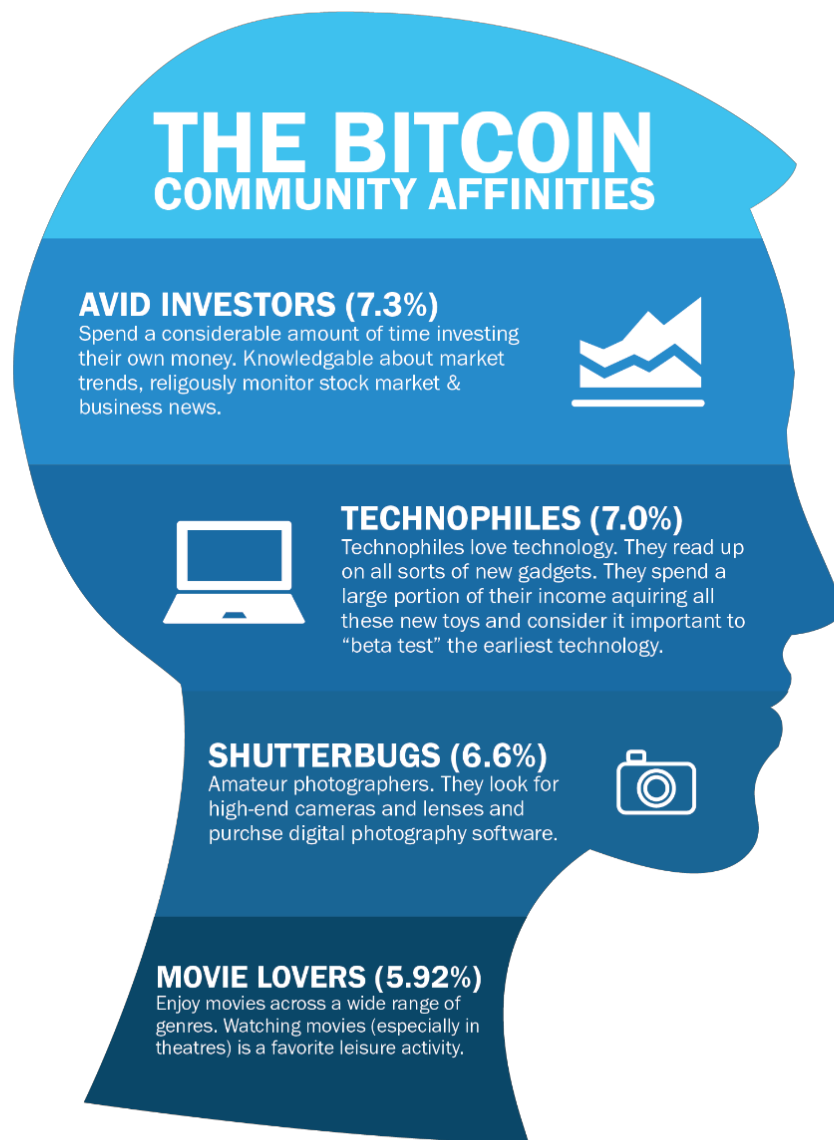
Appendix B, Figure 2: Projected Usage of BTMs



Appendix B, Figure 3: Bitcoin Ownership

The report also identified the interests and affinities of the Bitcoin community. The largest interest of the Bitcoin community was financial services/investment services, software/design software, and financial & banking services (Comben, 2019).

The biggest affinities assigned to the Bitcoin community are avid investors, technophiles, shutterbugs, movie lovers, and TV lovers. Information about Bitcoin users' psychographic trends can assist in reaching them in marketing efforts (Comben, 2019).




References included with Memo References

Appendix C: Consumer Analysis & Personas

Millennials

Millennials spend a considerable amount of time online each week and are better versed in cryptocurrency than any other generation. According to Comben (2019) ages 21-37 make up the largest percentage of owners of bitcoin. This generation is more accepting of new ideas, change, and their stronger interest in non-typical investments makes them a great target for Coinsource. A B2C Persona of the millennial consumer was developed for Coinsource (Figure 1).



B2C Personas

Meet Matt


the Millennial
age 29

Matt lives in Long Beach, California. He doesn't have kids, and spends his free time surfing in tandem with his dog Dexter.

He works in Los Angeles as a data analyst. A friend told him about Bitcoin, but he doesn't think he has enough in savings to pursue the investment opportunity.

He and his friend visited a BTM in town and he decided to buy a small amount once he saw how quickly he could get Bitcoin and how low the fees were.

Now, he enjoys the versatility of being able to spend Bitcoin in the many crypto-friendly businesses in town and is looking at investing more heavily in the near future.

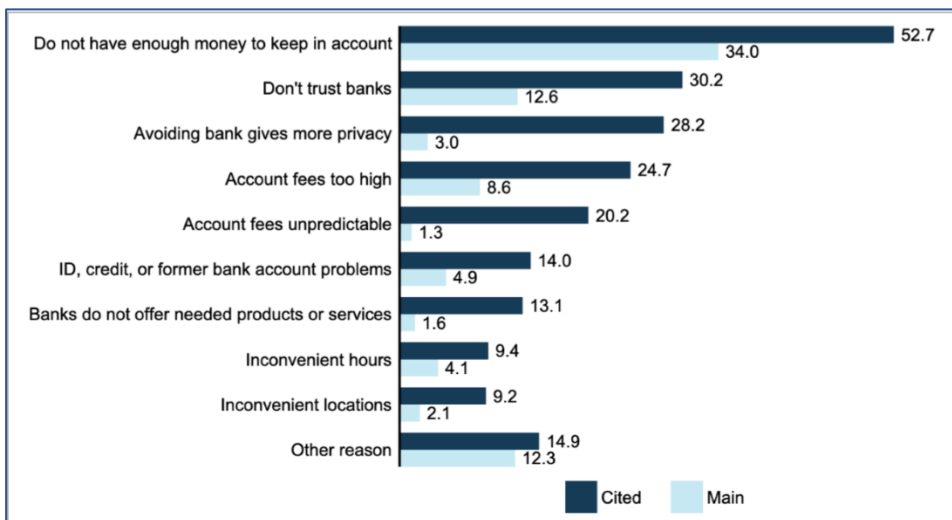


Appendix C, Figure 1: B2C Millennial Persona

Unbanked/Underbanked

Underbanked people are those who manage their finances mainly through cash transactions, instead of through a bank account or credit card. More than half of underbanked people say one reason they are that way because they do not have enough money to put into a bank account, but another 30% say they do not trust banks or that avoiding them gives them more privacy (Federal Deposit Insurance Corporation, 2018). For this target market, cryptocurrency is an excellent decentralized currency option.

One of the largest reasons for using cryptocurrency as compared to fiat currency is for remittance. When sending money to another country the fees can be costly. Cryptocurrencies are not bound to these extra fees when sending money across borders. Another vast use for cryptocurrency is for serving the underbanked and unbanked people of the world into self-banked citizens. This can be seen in Venezuela where people are using Bitcoin to transact for goods and services because their country’s monetary system has caused their currency to plummet in value (Gokhstein, 2019). In the United States, 25% of US households are either unbanked or underbanked (Barry, 2019). The most cited reasons for households being unbanked include that they do not have enough money to keep in an account, don’t trust the banks, and avoiding banks gives more privacy (FDIC National Survey, 2018). The top reasons for not having a bank account as reported by US unbanked households in 2017 can be seen in figure 2. A B2C Persona of the underbanked consumer was developed for Coinsource (Figure 3).



Appendix C, Figure 2: Underbanked Reasons

Meet Luis
the Unbanked
age 41

Luis lives in Newburgh, New York, and has a wife and two school-aged kids. They moved to the US from Venezuela in the early 2000s.

Luis’s parents still live in Venezuela, and he sends them money via Western Union once a month. Luis’s wife is untrusting of “Big Brother” and is adamantly against holding money in banks.

A fire in the months prior almost destroyed their savings stash, so Luis decided to look for other ways he could store his money. He came across Bitcoin and took an immediate interest in the decentralized currency.

He and his wife discovered they could quickly exchange cash for bitcoin and vice versa at a nearby BTM. They transferred their savings to Bitcoin and felt their finances were more secure. He also started sending his parents Bitcoin instead of going through Western Union, since Bitcoin’s value was more stable than Venezuela’s bolívares.

Appendix C, Figure 3: B2C Underbanked Consumer

Baby Boomers

The Baby Boomer generation holds between 50 to 70 percent of the US's disposable income, and is a prime target for cryptocurrency companies (Pesce, 2019; Hoffower, 2019). Over two thirds of Facebook's users are baby boomers (Clement, 2019), and baby boomers spend the most time online in any given week - even outranking millennials at 15 hours per week, according to Limelight Networks (2015).

Contrary to popular belief, Baby Boomers are much more tech savvy than given credit for. 96% of Baby Boomers use search engines, and 92% shop for products/services online (Kenshoo, 2019). From a study by Pew Research (2008), it was concluded that 16% of Baby Boomers fall into the "achievers" segment of the generation. This segment of Baby Boomers adopt technology early and rely on it heavily. According to the Pew study, "They [achievers] are focused on success and wealth and are heavily involved in social activities. 24% of Achievers claim to be the first among their friends to have new gadgets and devices" (Pew, 2008).

Baby boomers represent a large segment of the market that buys online. According to Accelerated Online College, boomers already spend a total of \$7 billion online each year, but it could be expected that this amount will increase as boomers spend more time inside and are unwilling to shop in brick and mortar stores. Cryptocurrency ads will be more likely to reach them and more effective as they look for online purchases.

However, many baby boomers have the mentality that cryptocurrency is untrustworthy, a scam, or something they simply do not understand so they don't partake in trading. Coinsource's heavy focus on compliance will benefit them here because they can project themselves in a way that will show boomers they are trustworthy and cryptocurrency is becoming more regulated and accepted. A B2C Persona of the Baby Boomer consumer was developed for Coinsource (Figure 4).

References included with Memo References



Barb lives in Salt Lake City, Utah, and has five adult children.

She is retired and financially stable, but is struggling with health issues.

She is starting to think about expanding her portfolio so her children and husband won't have to worry about finances once she passes.

Her youngest son told her about Bitcoin, and she visited a BTM in the city.

She was pleased with its simplicity and is now seriously looking at investing in Bitcoin.

 **Coinsource**

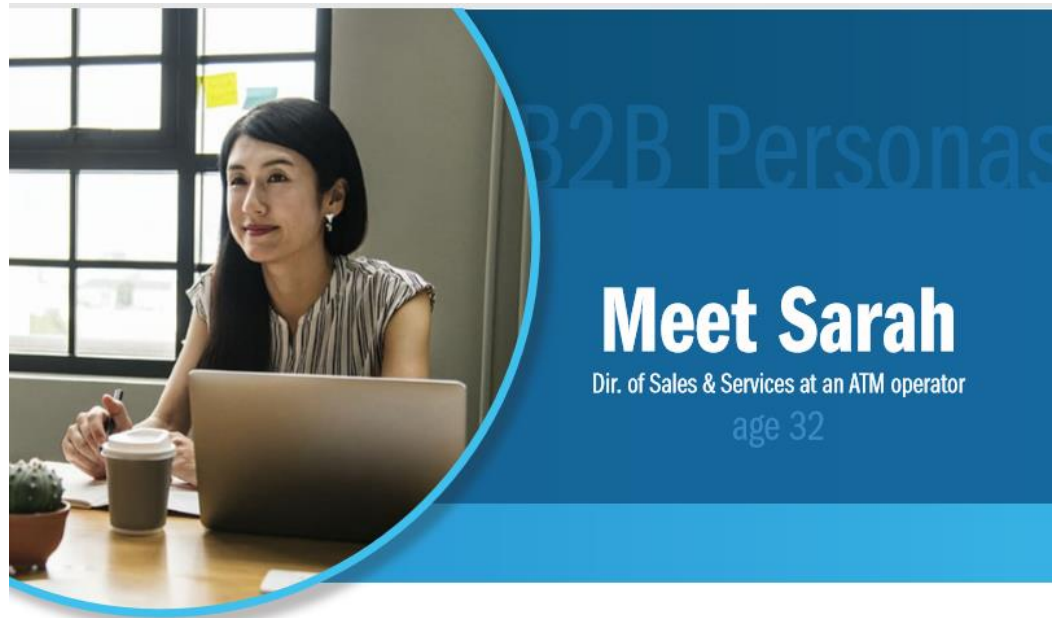


Appendix C, Figure 4: B2C Baby Boomer Consumer

Appendix D: B2B Personas

ATM Operators

According to Derek Muhney, current ATM Operators have been a significant market for the new PaaS product (Muhney D., personal communication, March 16, 2020). Independent ATM Operators, not directly affiliated with banks, have a network of ATMS with established locations often in convenience stores and gas stations. This market segment is adding BTMs using Coinsource's white label offering next to the existing ATMs to provide their store owners with an additional source of revenue which also drives the ATM usage (Muhney D., personal communication, March 16, 2020). See [Appendix E](#) for a list of ATM Operators. A B2B Persona of the ATM Operator was developed for Coinsource (Figure 1).



Sarah works in sales and service for Fiat Worldwide, which is an ATM operator.

She has noticed customer foot traffic has been decreasing at some of her ATMs.

While looking for solutions to increase use, she came across Coinsource's BTMs.

She discovered there was an interest in BTMs after she contacted store owners where the ATMs were.

She decided to reach out to Coinsource to see if they could partner.



Appendix D, Figure 1: B2B ATM Operator

BTM Operators

Current BTM Operators are also a potential market for the PaaS product. According to Derek Muhney, the current BTM operators are using costly third parties to manage a host of back end processing and compliance (Muhney D., personal communication, March 16, 2020). With Coinsource's variable menu of services, other BTM Operators will find the PaaS products an attractive way to maintain their BTM brand while cutting back-end operating costs. The key to developing this market is the creation of a ROI calculator and successful case studies. See [Appendix F](#) for a list of BTM Operators. A B2B Persona of the BTM Operator was developed for Coinsource (Figure 2).



Cory is the CFO of CoinTech which is a BTM operator. He's trying to reduce overall costs and increase revenue streams.

They still want to keep their brand, but they are looking for solutions to reduce the cost of third party partners while increasing their partnerships because they know more regulations are coming.

After research, they connected with Coinsource and were pleasantly surprised by their heavy focus on compliance.

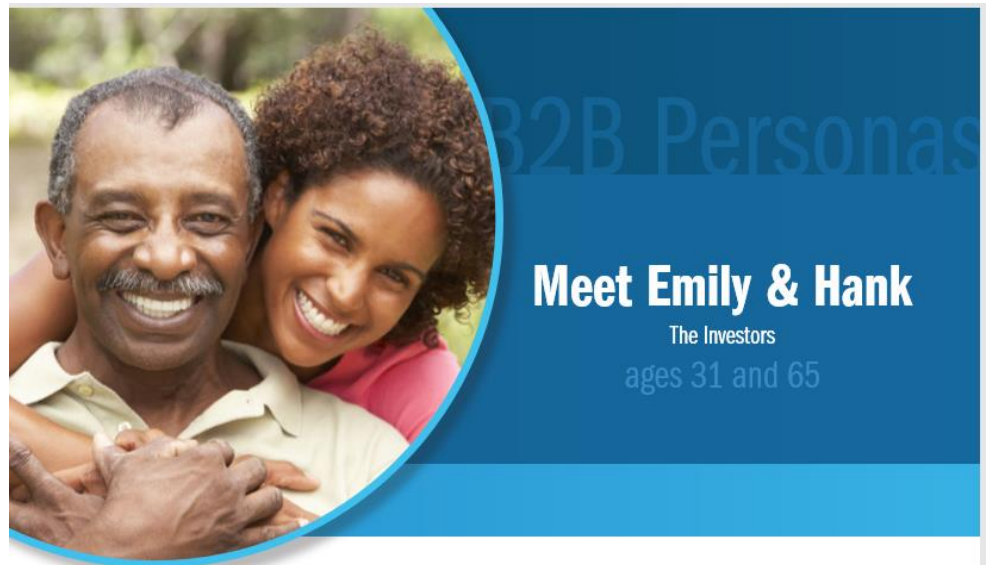
After working with an ROI calculator, they discovered they would save money by converting to one source for their back end processors.



Appendix D, Figure 2: B2B BTM Operator

Individual Investors

Another significant market segment for the PaaS product is individual investors. These investors are mostly male, between the age of 35-65 with a substantial net worth and a high tolerance towards risk (Comben, 2019). In particular, the FinTech services industry are increasingly targeting Baby Boomers due to their financial well-being. According to a survey conducted in 2018, 37% of Boomers consider cryptocurrency high risk (Clover, 2017). Connecting with these investors will require an awareness and education campaign, and positive experiences with bitcoin before significant investment will occur. A B2B Persona of Investors was developed for Coinsource (Figure 3).



Meet Emily & Hank

The Investors

ages 31 and 65

Emily is a college graduate working in the tech industry and has taken interest in Bitcoin as an investment. She thinks of herself as a rising entrepreneur.

Her father, Hank, is an avid investor and has passive income to invest.

Emily and Hank discuss the future of Bitcoin and BTMs and look into an investment opportunity, but Hank still needs to learn more.

At the Consumer Electronics show, they meet Derek Muhney and invest in Coinsource's BTMs.



Appendix D, Figure 3: B2B Investor

Corporations & New Industries

The final B2B group to target is established retail corporations like 7-Eleven, Walmart and Best Buy. While this group can require significantly more time and effort to establish, doing so will make many significant inroads. The customers of these companies directly connect to the targeted end-users and affinities of the bitcoin market. Developing partnerships with large corporations will establish Coinsource and BTMs in the mainstream and provide future opportunities as universal kiosks grow.



Moving into new industries, like casinos, travel, and cannabis will expand Coinsource's footprint beyond convenience stores and gas station locations. A B2B Persona of Corporate Customer was developed for Coinsource (Figure 4).



Carlos works for Nevada Lucky Cactus Corporation which owns several casinos across the US.

He's been looking for ways to make it easier for international customers to transfer currency.





He found Coinsource's BTMs on a Google search, which would provide an easy and safe way for guests to take Bitcoin out and receive cash they can spend in their casino without the hassle and fees of transferring foreign currency over to dollars.



Appendix D, Figure 4: B2B Corporate Customer






Appendix E: ATM Operators, Manufactures, and Processors







Company	Description	Website
	<p>ATM World specializes in processing financial transactions for ATM owners and manages thousands of ATMs nationwide for banks, credit unions, merchants, investors, as well as ATM operators with a complete turnkey program.</p>	<p>https://www.atmw.com/</p>
	<p>Access One Solutions is one of the fastest growing ATM providers in the Northeast. Our services extend out from NY to 31 additional states. This year, we are proud to launch Charity ATM at the NAC Conference - our new initiative that will help customers donate to a great cause while getting cash and improving the image of ATM Operators in the marketplace.</p>	<p>https://www.accessoneusa.com/</p>
	<p>Cash Depot is a privately owned, independent full ATM service provider. We are one of the few companies in our industry that is your All-in-One ATM solution for full ATM service including selling, leasing, renting, shipping and servicing new and used ATMs. We also maintain in-house transaction processing, resulting in the fastest possible transactions to our customers.</p>	<p>https://cdlatm.com/</p>
	<p>CORD Financial Services is an award-winning ATM Independent Sales Organization, recognized for excellence in providing a variety of ATM services such as full-service ATM placements, cash management, transaction processing, merchant services, ATM Sales, Parts Sales, and outstanding 24/7 customer and technical support.</p>	<p>http://www.cordfinancial.com/</p>
	<p>NationalLink Inc. is an industry leader in providing complete ATM solutions for hospitality segments, financial institutions and retail establishments. Since 1996, they have supported independent ATM Deployers with the best services at the lowest possible cost and have helped hundreds of IADs manage their business.</p>	<p>http://www.nationallinkatm.com/</p>
	<p>Kahuna ATM provides the best support available, allowing IADs to be their best. We provide the most competitive processing fees AND we put the fees back to work for you! We are dedicated to helping maximize YOUR profits while growing YOUR business. Kahuna ATM is the premier partner for IADs.</p>	<p>http://kahunaatm.com/</p>
	<p>Payment Alliance International (PAI) is the nation's largest, privately held ATM provider and offers processing and maintenance services, equipment sales and support, and unique ATM branding</p>	<p>https://www.gopai.com/</p>

	opportunities. PAI also offers industry-leading, revenue-generating, value-added solutions and customized partner programs that increase customer profitability, reduce operational expense and maximize uptime.	
	Rocket ATM Inc. is a leading provider of turnkey ATM websites and CRM systems for ISO's and IAD's. Our CRM systems sync with your website creating unbelievable efficiency. We give the small guy a big look. Building your own brand has never been easier.	http://www.rocketatm.com/
	Vault Logic manufactures a "Smart ATM" financial services kiosk. Our open platform delivers high cash handling ability and an array of apps such as traditional ATM, crypto BTM, check cashing, cell phone top up, bill pay and more. DApps using our Quorum-based blockchain will keep pace with the latest innovations and generate multiple streams of revenue.	https://vaultlogic.com/
	Genmega introduces the new Universal Kiosk, the future of payment technology. Featuring a large 21" vertical screen to attract attention and provide a unique canvas for your self-service application.	http://www.genmega.com/
	Cardtronics employs its substantial scale and innovation advantages to deliver more transactions to every ATM, to enhance consumer convenience around the corner and across continents, and to enable financial institutions to focus on their customers while Cardtronics manages their far flung ATM operations.	www.cardtronics.com/








National ATM Council. (2017). Vendor member directory. Retrieved from <https://www.natmc.org/nac-vendor-directory.html#access>.



Appendix F: BTM Operators & Manufacturers

Company	Description	Website
	<p>LibertyX is the largest network of bitcoin cashiers and ATMs in the US. With thousands of locations across 43 states, LibertyX offers consumers the ability to buy bitcoin instantly at trusted local stores. Whether someone decides to own/operate ATMs or convenience stores, with LibertyX consumers will be able to sell bitcoin to consumers and start earning a fast-growing, new revenue stream. There is no cost to get started, businesses can make commissions on every sale, and LibertyX drives customers to each location.</p>	<p>https://libertyx.com/</p>
	<p>CoinFlip is a cryptocurrency ATM operator based in Chicago that allows people to buy and sell cryptocurrency, such as bitcoin, easily and securely. CoinFlip currently have over 270 locations across America as of August 2019.</p>	<p>https://www.coinflip.tech/</p>
	<p>DigitalMint claims to be the most convenient way to buy Bitcoin with Cash and the largest Bitcoin ATM service network in the nation. Their ATM service can receive instant on-chain transactions and private keys in minutes, the highest purchase limit in the industry. Consumers can buy more than \$1,000,000 at their online trading desk, have to ability to talk to real people that know cryptocurrencies.</p>	<p>https://www.digitalmint.io/</p>
	<p>With 187 Bitcoin ATM's spread across 10 states, Bitstop was created to give users an easy way to buy digital currency. Their ATMs are user friendly and will guide consumers step by step. Buying and participating in digital currency is empowering and should be made easily accessible to all. Bitstop's pledge is to pursue this goal and build the best technology we can to help users buy, store, and save digital currency.</p>	<p>https://bitstop.co/</p>
	<p>The Genesis Bitcoin machine represents a solid ATM with all AML/KYC features required. By request an optional fingerprint scanner could be added. SMS verification function, identification card reader, and a high-definition camera could be used in order to comply with regulations in place. The company provides a policy of white-labeling and allows flexible branding of the machines run by operators</p>	<p>https://bitcoinatm.com/</p>

	<p>Use Android hardware and software which allows rapid software development and cost-effective hardware design. They support 40+ cryptocurrencies.</p>	<p>https://www.generalbytes.com/en/</p>
	<p>Lamassu offers a completely decentralized model where operators are in complete control of their machine and open-source software. As such, there are no licensing fees nor do they take a share of operators' commissions. Bitcoin, Zcash, Ethereum, Bitcoin Cash, Litecoin, and Dash. Operators may add additional coins through custom development, due to their open-source software.</p>	<p>https://lamassu.is/</p>
	<p>Bitaccess specializes in delivering a superior customer experience. They achieve this by providing sophisticated, 4th generation software, premium hardware, and one-on-one operator support. This 4th generation software platform provides operators with an online management dashboard, which includes a list of customizable controls on top of industry required KYC/AML regulatory compliance capabilities.</p>	<p>https://bitaccessbtm.com/</p>
	<p>CoinMe creates their own software for their own machines built from scratch. They have their own cryptocurrency called UpToken. They have a partnership with Coinstar allowing you to buy bitcoin at over 2200 Coinstar machines.</p>	<p>https://coinme.com/</p>
	<p>Bitcoin Depot's mission is to provide the most secure, convenient, and fastest cryptocurrency transaction. They sell Bitcoin, Litecoin, Ethereum, and Bitcoin Cash.</p>	<p>https://www.bitcoindpot.com/</p>
	<p>Coincloud considers themselves the compliance leader in the Cryptocurrency Kiosk Industry for AML, BSA and KYC. They report that their compliance technology is constantly evolving to continue to provide a set of best practices</p>	<p>https://www.coincloudatm.com/atms</p>

Appendix G: Trade Shows & Conferences

Event	Description	Website
	<p>Bank Customer Experience (BCX) Summit will provide bank executives with powerful insights on these trends and highlight innovative technology to help today's financial institutions transform themselves to serve consumers now and into the future.</p> <p>Audience Focus: ATM Operators</p>	<p>https://bankcustomerexperience.com</p>
	<p>Several ATM-focused conferences around the world including Canada, Asia, Europe, US.</p> <p>Audience Focus: ATM Operators</p>	<p>https://www.atmia.com/conferences/</p>
	<p>Interactive Customer Experience (ICX) Summit gives brands one place at one time where they can discover a full range of technologies and strategies to create engaging and meaningful customer experiences.</p> <p>Audience Focus: ATM Operators</p>	<p>https://icxsummit.com</p>
	<p>The National ATM Council, Inc.(NAC) is a trade association. NAC represents the interests of independent (non-bank) providers of automated teller machines (ATMs) in the U.S. In addition to these primary service providers, NAC membership also encompasses the many manufacturing and service companies that supply and support this key industry sector.</p> <p>Audience Focus: ATM Operators</p>	<p>http://natmc.org/</p>
	<p>Boomers and Seniors Expo™ is the Premier Lifestyle, Health & Active Aging Expo for Baby Boomers and Seniors in the Twin Cities. Today's 55+ community have a dynamic lifestyle and are pursuing ways to stay active and engaged.</p> <p>Audience: Babyboomers/Investors</p>	<p>http://boomersandseniorsexpo.com/</p>
	<p>The What's Next Longevity Business Summit convenes the country's top businesses and organizations focused on the baby boomer and senior market for unique networking opportunities, deal making, and the exploration of the multigenerational effect that shapes Boomer priorities.</p> <p>Audience: Babyboomers/Investors</p>	<p>http://www.boomersummit.com/home/</p>
	<p>The Association for Financial Professionals (AFP) is the professional society committed to advancing the success of treasury and finance members and their organizations. Hold Annual Conference for networking and sessions.</p>	<p>https://www.afponline.org/</p>

	<p>Audience: Financial Professionals</p> <p>The MoneyShow focuses on practical education, expert trading strategies, and 150+ stock, ETF, and fund picks from leading financial experts!</p> <p>Audience: Financial Professionals and Individual Investors</p>	<p>https://www.moneyshow.com/</p>
	<p>Fincon is an energetic community of personal finance influencers and brands as they come together in Long Beach to connect, collaborate, and learn from each other.</p> <p>Audience: Financial Professionals and Individual Investors</p>	<p>https://finconexpo.com/fincon2020/</p>
	<p>National Association of Personal Financial Advisors (NAPFA) is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. They hold an annual conference.</p> <p>Audience: Financial Professionals</p>	<p>https://www.napfa.org/conferences/2019-fall-conference</p>
	<p>List of Cannabis related Tradeshows and Conferences</p> <p>Audience: Cannabis-Industry Professionals and Individual Investors</p>	<p>https://www.cannabisbusinesstimes.com/events/</p>
<p>The Future of Cash</p> 	<p>The Future of Cash conference focuses on understanding the changing cash environment and what stakeholders are doing to optimize the cash cycle and to keep cash competitive and relevant. It brings together all stakeholders to discuss new strategies for creating the cash cycle of the future.</p> <p>Audience: Financial Professional and Individual Investors</p>	<p>https://thefutureofcash.com/</p>

Networld Media Group. (2020). ATM Marketplace Directory. Retrieved from <https://www.atmmarketplace.com/companies/directory/>.

The Trade Group. (2019). Trade Show Search. Retrieved from <https://www.tradegroup.com/resources/trade-show-search/>.

Appendix H: Cannabis Industry

Exploring the fast growing Cannabis industry may be beneficial to expanding Coinsource's market share. Tactics on how to approach this strategy includes placing BTM's in cannabis dispensaries and cannabis vending machines. According to Nikolov (2019), the cannabis industry has seen steady growth in the states that have fully legalized marijuana, legalized it for medicinal use, or decriminalized it in general. Currently on the federal level, marijuana is still illegal which is why banks are not able to service dispensaries. Therefore, the dispensaries have looked to bitcoin as a way to move away from this heavy cash business.

BTMs in Dispensaries

According to Gilmore (2018), rather than making withdraws at a standard ATM, customers can exchange cash for Bitcoin which can be used to make purchases at marijuana dispensaries. In 2018, a company called Virtual Crypto Technologies developed a technology to incorporate bitcoin into dispensary transaction. When a customer is ready to make a purchase, they scan a QR code that appears on the shop's point-of-sale screen interface. Within seconds, the dispensary would receive confirmation that Bitcoin or another cryptocurrency has been transferred to pay for the products being purchased. See Figure 1.



Appendix H, Figure 1: BTMs in Dispensaries

Cannabis Vending Machines accepting Bitcoin

A current trend within the cannabis industry is the use of vending machines that accept cryptocurrency as a form of payment. A company that is moving forward with this idea is Grasshopper Kiosks. It's not clear whether the main kiosk model "Grasshopper Kiosks" can accept cryptocurrency directly, the company also develops a "Grasshopper Pay" kiosk, which allows consumers to make payments for orders made from their mobile app and be collected at the kiosk. "Grasshopper Pay" accepts cryptocurrency.



Appendix H, Figure 2:
Cannabis Vending
Machine

The pros and cons of working with this industry include:

Pros:

- The cannabis industry is fast growing and likely to continue to grow.
- Until it receives approval at the federal level, this industry will continue to look for alternatives to cash due to safety concerns.
- Coinsource could be a behind-the-scene bitcoin processor
- This industry is moving into new areas like vending machines which will need to use bitcoin solutions.

Cons:

- While the cannabis industry is growing with mainstream acceptance among multiple generations, it still has a negative reputation. This would be at odds with Coinsource's "compliance" reputation.
- There could be an additional step for end users. Instead of one-step process, consumers first use the bitcoin ATM to purchase cryptocurrency (if they don't have any in their mobile wallet) and then use cannabis vending machine.
- The transaction flow may take some time. If the user must purchase Bitcoin at the ATM, the funds will not be immediately available as it must go through the Blockchain. On average, a block is found once in 10 minutes, but in some cases due to variance in probability it can take much longer.

References included with Memo References

Appendix I: Marketing GOST



Coinsource

Marketing GOST

GOAL	OBJECTIVES	STRATEGIES	TACTICS
<p>Hold an 80% market share of being back-end software and compliance provider for Bitcoin ATMs by 2024</p>	<p>Awareness & Disruption</p>	<p>Financial Services Industry: Build awareness and credibility of bitcoin and Coinsource by partnering with influencers and experts in the financial services industry.</p>	<ul style="list-style-type: none"> • Guest Post & Articles • Case Studies
		<p>Financial Advisors: Reach out to financial advisors about the viability of Coinsource's PaaS as an investment.</p>	<ul style="list-style-type: none"> • Financial Planner Conventions • Outreach • Incentivize Financial Planners
	<p>Strengthen Current Segments</p>	<p>ATM Operators: Coinsource should continue to target ATM Operators by transition from individual BTMs to Network ownership.</p>	<ul style="list-style-type: none"> • ATMIA & Other ATM Conferences • Become Supplier on ATM Marketplace • Whitepaper & ROI Calculator • Leverage the Future of Universal Kiosks
		<p>BTM Operators: Coinsource should also target current BTM Operators and Manufacturers that will find the PaaS products an attractive way to maintain their BTM brand while cutting back-end operating costs.</p>	<ul style="list-style-type: none"> • Whitepaper & ROI Calculator • Compliance
		<p>Individual Investors: Coinsource should build pathways to individual investors by pursuing franchising networks and GIS location mapping.</p>	<ul style="list-style-type: none"> • Franchising • GIS Mapping
	<p>Explore New Segments</p>	<p>New Industries: Coinsource should consider reaching beyond their current footprint and considering other industries that support bitcoin transaction.</p>	<ul style="list-style-type: none"> • Cannabis Industry • Airport-based Currency Exchange Industry • Casino Industry
		<p>Corporate Partnerships: Coinsource should partner with industries that relate to interests and affinities of bitcoin users. These partnerships will help develop further acceptance of bitcoin and will secure Coinsource as a processor.</p>	<ul style="list-style-type: none"> • Convenience Stores • Large Retailers



Oregon Tech Business Management

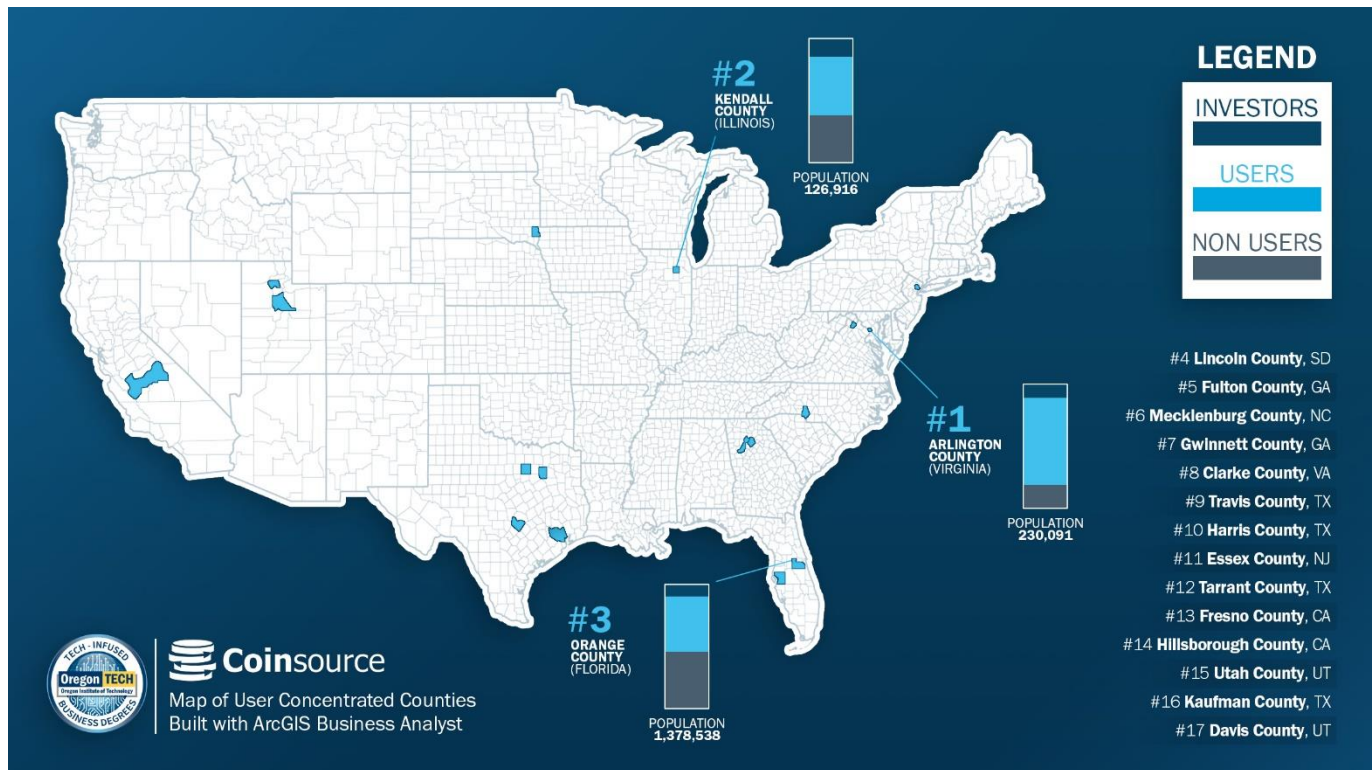
Appendix J: GIS Investor/Location Map

A map was created using GIS technology. This map represents key counties in the continental US for Coinsource to target when looking for investors. The following three counties are the best based off the following questions:

- How many investors are in the county? For investors, a persona was built based on the following characteristics: Primarily male, age 40-60, high income, large net worth, risk tolerant, open to technology, actively investing.
- How many BTM users are in the county? For BTM Users, a persona was built based on the following characteristics: Male and female, age 20-45, tech savvy, lower income, with segments of the market sending money abroad and other segments that are underbanked.
- How many non-users are in the county?

The GIS map was built by taking the number of each market, dividing it by the total population in the county to come up with percentages of each market in each county. Key counties were selected based on the following criteria: The county must have between 10-20% “Investor” population and have over 30% of the population be “Users.” This criteria guarantees that these are markets ready to penetrate, especially if there is currently low competition. There are plenty of investors in the area that would be prone to opening a BTM network, and a high concentration of potential BTM users as well.

The result is a suggestion of the best three counties (Arlington, Kendall and Orange County) to reach and advertise to the investors within. There are 17 total counties that offer significant opportunity to the local investors within them that should be targeted.



The following data was used to create the GIS Map:

Non-Target Market Total Percent

NonTargetHHs	NonTargetHHsPref
168513	0.543047
856754	0.517168
25310	0.584432
387576	0.515525
243475	0.478768
9146	0.403654
55053	0.50308
88241	0.501167
318115	0.575095
228391	0.453944
193020	0.441724
151520	0.493877
197714	0.453738
16113	0.383396
2610	0.444709
20982	0.193009
149781	0.510877

NonTargetHHs: The number of Non-Target Market Households in the selected county

NonTargetHHsPref: The percentage of Non-Target Market Households as a part of all the households in the selected county

Target Market Total Percentage

INVHHs	UserHHs	HHsInvPref	HHsUserPref
42236	99561	0.136109	0.320844
220378	579493	0.133028	0.349803
4628	13369	0.106865	0.308703
118944	245288	0.158211	0.326264
80669	184401	0.158627	0.362605
4414	9098	0.19481	0.401536
20696	33683	0.189122	0.307798
33421	54409	0.189815	0.309017
63236	171801	0.114319	0.310586
50698	224037	0.100766	0.44529
72724	171226	0.166428	0.391848
36670	118607	0.119525	0.386598
67794	170237	0.155582	0.39068
6177	19737	0.146977	0.469627
1106	2153	0.188448	0.366843
12009	75719	0.110468	0.696523
46122	97281	0.157314	0.331809

InvHHs: The number of Investor Households in the selected county

HHsInvPref: The percentage of Investor Households as a part of all the households in the selected county

Total Population/Location

Feature Name	Region Name	Region Abbreviation	2019 Total Population	2019 Population in Households
Fresno County	California	CA	1004546	986305
Harris County	Texas	TX	4758238	4708625
Kaufman County	Texas	TX	129103	127747
Tarrant County	Texas	TX	2112006	2086266
Travis County	Texas	TX	1292442	1269277
Lincoln County	South Dakota	SD	61003	60719
Davis County	Utah	UT	360443	357480
Utah County	Utah	UT	647894	632201
Hillsborough County	Florida	FL	1454648	1432261
Orange County	Florida	FL	1378538	1343985
Fulton County	Georgia	GA	1060373	1026442
Gwinnett County	Georgia	GA	924563	919470
Mecklenburg County	North Carolina	NC	1105960	1089187
Kendall County	Illinois	IL	126916	126708
Clarke County	Virginia	VA	14973	14793
Arlington County	Virginia	VA	230091	227107
Essex County	New Jersey	NJ	812095	788723

UserHHs: The number of BTM User Households in the selected county

HHsUserPref: The percentage of BTM User Households as a part of all the households in the selected county

The ESRI Tapestry Segments that made up the Investors and Users are:

Investors: 1A, 1B, 1C, 1D, 1E, 9A

Users: 5A, 11A, 11B, 11C, 11E, 3A, 3B, 3C, 7A, 7C, 7E

