

EXECUTIVE MEMORANDUM

Date: March 27, 2020
To: Derek Muhney, Director of Marketing and National Sales
From: St. Thomas Aquinas College
Subject: Analysis and Recommendations for Coinsource

After researching and analyzing Coinsource, its main competitors, and the relevant industry, our team at St. Thomas Aquinas College believes that Coinsource can successfully expand their market using a B2B, or business to business, approach. Being that Coinsource has already mastered the B2C, or business to consumer, approach, our team believes that through marketing directly to those businesses who use cryptocurrency the most will boost market sales, achieving the desired growth numbers.

It was recently announced that Coinsource will begin to market using a B2B approach, which opens the door for a whole new marketing strategy. In order to solve these beginning hurdles, our team has proposed solutions based on our in-depth research. We recommend working directly with companies who deal with transactions involving Bitcoin: finance and investment, software development and banking.

Both finance and investment employees, as well as banks can be targeted at physical US bank locations. There are many banks, ranging from small credit unions to large national banks. Depending on the focus of the company, it would be best to research the individual banks to see what their employees do on a daily basis and if Bitcoin ATMs would be helpful.

Software development is a broader term. A lot of startup software development companies begin in San Francisco, California, so aiming the marketing focus on that location would be beneficial to break into that specialized market. From there, as the startup companies grow and develop into larger, more diverse companies, Coinsource would grow with them. The company themselves will buy and operate the ATMs, and Coinsource will receive a percentage of each transaction. This growth will allow Coinsource to market to even more businesses, greatly increasing profit.

In order to push the company forward, Coinsource needs to show businesses that using their Bitcoin ATM would make their daily operations easier, instead of using an alternative, like

a Bitcoin trading app to buy/sell currency. Offering companies free trials using the physical ATM, courses on the pros/cons of owning the ATM, and offering business incentives, are all ways in which Coinsource should consider in order to grow.

The current call-to-action is already enticing to prospective customers: “If you have a space 2 feet by 2 feet in your business, you make money and we do all the work!” However, to go even further, both in-person trade-shows and conferences and digital marketing would work the best to market to and convert this type of audience. In-person trade-shows and conferences would work best for Coinsource to market their product. By attending conferences that high frequency Bitcoin users will attend, potential customers are physically able to see how your product works, which would showcase how easy it is to buy/sell Bitcoin. We recommend conferences like the Bank Customer Experience Summit or the Interactive Customer Experience (ICX) Summit.

While digital marketing would be harder because we are aiming for other businesses, not consumers, in order to tackle this challenge, our team recommends Coinsource run advertising campaigns through company emails. Advertising incentives to use the ATM, for example earning a cashback bonus if a certain number of transactions are completed, can boost interest.

Our team believes it would be smart to measure success via the number of transactions completed, both Bitcoin to USD and USD to Bitcoin, at each location. The six month milestone can show how much initial interest the ATM gained, compared to the one year mark.

Overall expansion in the Bitcoin industry will benefit Coinsource as well. Our team has come up with a strategy to increase the interactions of the average consumer with Bitcoin. If consumers view Bitcoin as liquid, similarly to holding cash, then they will be more willing to enter the crypto market.

In effort to bridge the gap between the average consumer and Bitcoin, our team designed the Coinsource Card. The Coinsource Card can be requested through a user’s Coinsource account. This is essentially a reloadable prepaid card that is linked to the individual user’s account on the Coinsource smartphone app. Within the app, users can buy or sell Bitcoin. Sales of Bitcoin go through automatically, and users can pick up their cash at any coinsource atm.

Purchases of Bitcoin would be pending until cash is deposited at the ATM (or when Coinsource expands into accepting debit and credit cards).

We suggest the Coinsource Card as we are establishing a B2B network of Bitcoin ATMs within major retailers. Anywhere consumers can typically get “cash back” from a debit card, such as supermarkets, pharmacies, and retail stores, consumers will also be able to conduct Bitcoin transactions. Coinsource users will insert their Coinsource Card into the chip reader and enter the verification code shown on the app. Then the user can complete their chosen transaction by either giving the cashier the predetermined cash or by receiving cash from the store.

Partnering with major retailers will highlight how liquid Bitcoin truly is. This turns every customer who walks into a Walmart, Dollar General, CVS, etc., into a potential Coinsource user. Retail chains have thousands of locations, which is ideal for Coinsource’s B2B approach. If Coinsource takes advantage of this untapped market, it has the potential to grow the number of ATMs in service faster than the company has experienced in the past.

Another benefit of partnering with major retailers is that it would bring Bitcoin back into the attention of the average consumer. Google Trends data shows that searches for “Bitcoin” have declined 90% since December 2017¹. Coinsource needs to emphasize in their marketing strategy that Bitcoin is a long term financial tool, not an internet phenomenon.

Our team recommends Coinsource utilize the Google Trends data to determine which retailers to target first with their B2B operations. California, Washington, and Hawaii are the states that have shown the highest search interest in Bitcoin². It would be advantageous for Coinsource to market to companies with multiple locations within these states.

Coinsource will revolutionize the way businesses conduct their daily operations. By following our recommendations, coupled with a data driven marketing strategie, our team believes that Coinsource will become a well known and established company in the United States and a market leader for cryptocurrency transactions.

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Appendix

Figure 1 - Google Trend Index for “Bitcoin”:

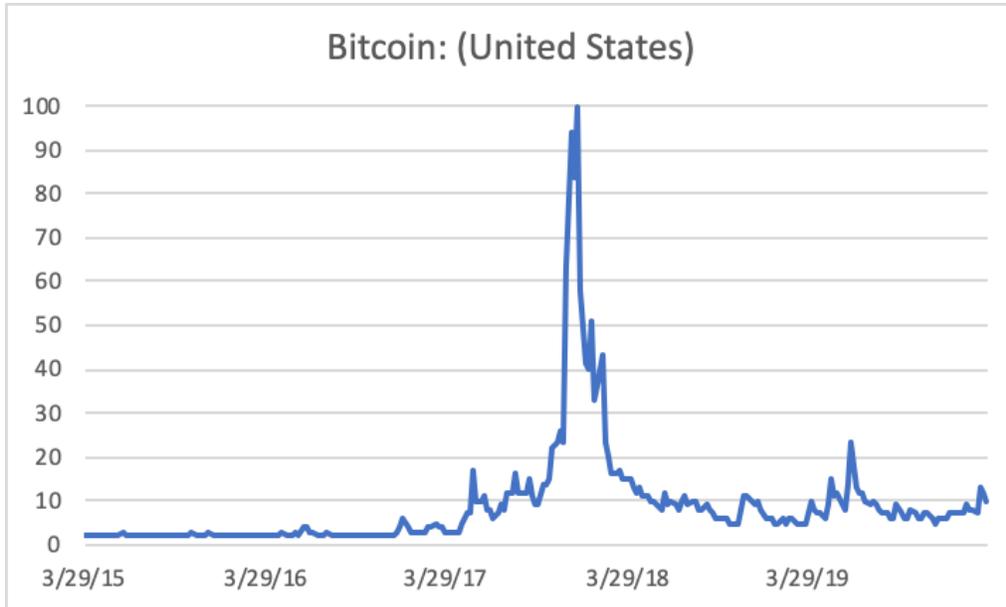


Figure 2 - Bitcoin Google Trend Frequency by State:

