Galperin

Marketing Strategy

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Context

Mission

For Galperin to become the premier, digital bank of choice. To acquire 60,000 active users 12 month from launch.

““People really need to feel that there is someone on their side strong enough to take on vested interests and clear enough in their understanding of the future to be able to guide and help them through it.” – Tony Blair

Current State of the Market – Fintech competitors in brief

Despite a burgeoning amount of Fintechs, none have successful been able to provide an end-to-end personal banking experience, which includes a full portfolio of banking products including payments, savings, exchanges, transfers, investments, insurance offerings and loans. Although there are several notable incumbents on the market, like N26 and Revolut who compromise the most comprehensive offerings to date, these companies continue to suffer from issues faced by traditional banks, including lack of responsiveness and card issues, for example. More specifically, lack of transparency, issues with customer service, especially in terms of risk and crisis management, security and reliability of the service, especially with payment providers, issues with integrations which effect end-users. Additionally, and importantly these companies suffer from lack of profitability, even while securing between 50M and 90M USD in funding since their launch, respectively. For example, Monzo, according to their own admission, incurs overhead of 50 GBP per customer per annum[1].

Even with a warm reception by the market, both of these solutions are starting to lose their first movers advantage as they start acquiring customers at scale and other service providers enter into play. This can be partially attributed to their expansion model, which is based on personal recommendations from within their apps (based on a coupon model/referral program and utilizing NPS)[2]. Certainly, there is a notable strength to personal recommendations via a trusted network, friend, or relation; however, on the flipside, many people trust recommendations blindly, and are likely not to do the requisite research or familiarize themselves with documentation properly when signing on to a service that has been recommended by someone they trust. According to Nielsen’s Global Trust in Advertising Survey 83% says they completely or somewhat trust the recommendations of

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[1] http://www.businessinsider.com/monzos-2017-annual-report-losses-jump-growth-accelerates-2017-7?IR=T

[2] Details in Incentive Programs below

friends and family. [3] Additionally, the same percentage of these global respondents say they take action on these opinions at least some of the time (83% each)

This new larger cohort of customers is less forgiving than early adopters and less inclined to turn a blind eye to reoccurring issues within their banking services, or the customer experience of others. As these companies scale their acquisition efforts not only do their costs continue to haemorrhage, but unresolved issues within the services and technology themselves come out of the woodwork at a much larger scale.

In the case of both companies, we can see that it's taken about two years for their user acquisition to reach 1,000 – 1,500 users daily (both were founded in 2015). This growth corresponds roughly with the expansion of offerings to include loans, investment and savings accounts, in some, but not all, markets where they are present. Regardless of these expansions in the offerings, these services are for the most part still considered to be "wallet" programs by most traditional financial analysts. N26, for example, despite touting itself as "the bank of the future" fully admits in its own materials and communication that it still cannot completely replace a traditional bank account and urges customers to keep their other accounts active.

Lastly, in terms of marketing, N26 has stated some formal marketing activities within Germany, having previously focused on in-app recommendations and SEM targeting fresh high school graduates and new university students. They have recently launched two TV commercials, on top of which they have tried to leverage Instagram influencer marketing, which is hard to gauge in terms of effectiveness, but seems rather uninspiring.

Target Group - Gen Z and Millennials

The proposed target group of the Galperin App is 16-35 year olds. This is supported by results recently published by N26, citing that 60% of their 300,000 users are in this target range. Additionally, it is also supported by the fact that Gen Y (Millennials), for our purposes those born between 1984 and 1995, are still the largest active consumer generation to date, but are on the cusp of being replaced by Gen Z, for our purposes those born after 1996, as they start entering the workforce and finishing university. Right now this generation already exerts unprecedented influence over the purchasing power of their Gen X parents.

Based on extensive research about the nature of these two groups and their values, both shared and divergent, these groups will be treated as two distinct target groups with their own specific strategy vs. being treated together, as continues to be the norm at the moment, especially in traditional sectors.

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3 http://www.nielsen.com/content/dam/corporate/us/en/reports-downloads/2015-reports/global-trust-in-advertising-report-sept-2015.pdf It should be noted that Nielsen should be publishing their 2017 report shortly, and that results show minimal change between 2013 and 2015.

By focusing on both groups, but being conscious of their differences Galperin will be able to conquer well over 70 percent of the market, Millennials, for e.g., constitute over 50% of the market currently, and with Gen Z slated to surpass their numbers will ensure longevity in Galperin's customer base over time. Basically, Millennials continue to be too large of a purchasing powerhouse to set aside. Whereas Gen Z will provide loyal customers over-time, especially given their expectation of mobile-only solutions.

We also take into consideration that there will be some co-mingling of the two groups given that generational lines a rarely strict. Specifically, younger Gen Y members who are the oldest in their family, and have younger Gen X parents are likely to have hybrid tendencies towards Gen Z attitudes, the same reverse will be true of older Gen Z members who are the youngest of their siblings and have older Gen X parents.

Gen Z

Marketing to Gen Z is about understanding and empathizing with their hopes, worries and motivations as they try to find their place in the world and leave their individual mark on it. It's about their individuality, speaking to their values and helping their dreams become realities. They're purchasing power in the US is already projected at 44billion. According to Vision Critical, by 2018, they'll control $200 billion in direct spending. In the meantime, they influence more than $600 billion in spending by their parents. One interesting fact about Gen Z is that despite being digital natives, and reportedly using up to five screens at once, they over-whelming prefer face-to-face interactions over online.

Gen Z Key Drivers:

1. Financially Conservative – frugal and price conscious

   Gen Z has grown up in the aftermath of the financial crisis and, as a result, has seen parents and older siblings struggle with debt and financial issues. Interestingly enough, according to Gen Z author Vivek Pandit[4], 2/5 of his high-school peers who have part time jobs are actively contributing to household expenses, rather than working for pocket money. He also notes that despite being better off that previous generations (access to tech and cell phones) they are acutely aware of the results of the financial crisis. This is also consistent with findings in several studies that note:

   - "Almost half (46 percent) of those in Gen Z say their biggest financial concern is that they'll be drowning in student debt after graduation."
   - And, "TD Ameritrade's 2nd Annual Generation Z Survey discovered that if given $500 a massive 70 percent of Gen Zers would save part of it and 30 percent would save it for college." This is in strict contrast of Gen Y, who tend to be more frivolous with their spending, and who are cited as being much more confident about their ability to pay off debts.

[4] We are Gen Z www.brownbooks.com

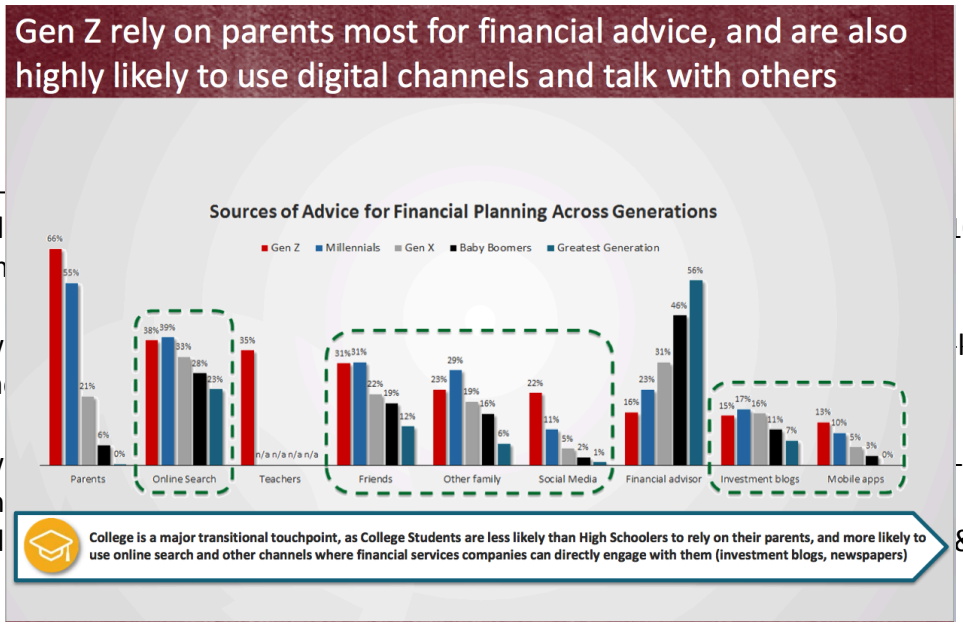
- "64% have already begun research on their own or talking to others about financial planning, and 53% say they're not too young to start preparing for their financial future, where those in college are more likely to agree than those in high school, 61% vs 48% ,respectively"[5]

Additionally, Gen Z tends not to make impulse purchases. They've grown up in the shadow of the recession and with information technology to do price comparisons 24 hours a day. In fact, according to a study done by Nickelodeon on how parent-child relationships have changed in Gen X parents with Gen Z children, "There is a difference in how frequently parents seek input from their children when making purchases. In the U.S., 71% of parents solicit and consider their kids' opinions when making purchases. That percentage jumps to 94% internationally."[6] Specifically,

- Parents in both the U.S. and internationally seek their kids' opinions when buying products for them. In the U.S., 95% of parents do, and internationally 99% of parents seek their children's opinions. When making family purchases, 69% of U.S. parents confer with their kids, while internationally, 87% do. As far as making purchases for themselves, 28% of U.S. parents talk about it with their children before making the purchase, while 55% of international parents do.

What's interesting about this perspective is not only is Gen Z more informed as shoppers, they exert influence on parents purchasing decisions in a marked way. This is also evidenced by the fact that YouTube is overwhelming Gen Z's platform of choice (95% of Gen Z use the platform regularly[7]) with the majority of time spent on how-to-videos and un-boxing.

Additionally, according to a recent report by Sensis[8] and Think Now showed that according to teens, Parents are their biggest influence, especially Moms. In this case, these are US statistics, and the Mom factor could also be due to the high rates of single mothers in USA. It's important to note that although some of these statistics are from the USA, the same trends are present in Europe for the most part. All of this points to a more balanced cross-generational communication structure than with previous generations.



Despite their

[5] Gen and ...06, Lincoln Fin...

[6] http://ww... kids-stro... ng-influen...

[7] http://ww... -and-oth... er-stats-th...

[8] https://d... &pli=1

innate pragmatism Gen Zers are just as confident as Millennials about their personal financial future: they believe they'll be able to buy a house, travel the world, save and invest, retire and bequeath assets to their kids, However, they are less confident and optimistic in terms of paying off their loans, buying additional properties or even their ability to run a business. They are a generation of planners and savers, which is good news for the financial services sectors and provides a great opportunity investment and saving products. That said, Gen Z is even less trusting than Gen Y when it comes to big banks, which is good news for new financial institutions provided that they are able to win the trust of this new, young clientele.

2. Authenticity and being real

Gen Z has been exposed to media more than any generation before it. At digital natives, they have never known a world where they are not inundated with some sort of advertising. They have grown to expect that everything they consume from articles to videos has some underlying advertorial content. This is partially what makes them such savvy shoppers, good a cutting through marketing messaging. It's also what makes them brand-wary and immune to glossy ad and Hollywood happy endings. The other key is also the way media can be produced. Now anyone can become a media producer with a smart phone and an internet connection, and Gen Z is looking for authenticity and relatability in the media they consume. They feel closer to these content producers, most of all because they are real and accessible for them, they can interact and co-create. This correlates with a vested interest in a given message or product. For this reason, it's not surprising that Cassandra Report and Deep Focus[9] found that 63 percent of Gen Z prefers to see "real" people in ads, while just 37 percent favour celebrities. That's not to say that brands still don't have influence, the Sensis[10] and Think Now report showed that males especially still think branded clothing gave them social status. In fact, 60% still identify with Brands. That said, Gen Z is all about being authentic and breaking down stereotypes and allowing yourself to have a broad spectrum of interests.

3. Personalization is key, but do it with respect

Gen Z is quite willing to share their data, but that sharing is based entirely in trust. Certainly, harvesting data is less controversial for this generation, but they have all become well aware that a digital footprint lasts a lifetime and can influence their future greatly. This is supported by the rise of platforms like Snap Chat and the popularity of Instagram and Facebook stories. The short lifespan and non-permanence of these media allow Gen Z to share spontaneous and, sometimes, foolish youthfulness without enduring the risk of permanent consequences later down the line. That said, if you're able to customize your offering in a way that

[9] https://cassandra.co/

[10] https://drive.google.com/file/d/0By5adgEgFo5SVndmb1RzMGduX28/view?pref=2&pli=1

provides value and isn't intrusive Gen Z will be appreciative. So long as their data is protected.

4. Reduced Attention Span and Video as medium of choice

   Numerous studies have shown that the increased screen time has changed the brain chemistry within children, leading to growing incidences of ADHD. The immediacy of all media and the fact that information is easily retrievable makes Gen Z less likely to commit it to memory, especially when it's perceived as something not necessary like an Ad. The important take away here is the total time is much reduced but the amount of content to be presented is much larger.

   Video is also the medium of choice for this generation, be it SnapChat or YouTube, as stated about YouTube is the most highly rated online platform that Gen Z currently uses. The content consumed varies from "How To"s to simply funny entertaining videos.

5. Values, CSR and making the world a better place.

   Being authentic, helping the world and ensuring a better future is key to having Gen Z connect and love your brand. It's important for Gen Z to make the world a better place, despite their conservativism they are optimistic and believe that they can have a real impact on the world. If they feel that the brand stands for something more, and is helping build the future they imagine they are more likely to identify with the brand and engage with it. This makes them good candidates for new approaches to brand loyalty.

6. More face-to-face.

   53% of Generation Z prefer in-person communications over instant messaging or email. Generation Z may overcompensate on interpersonal skills as they notice Millennials struggling (and getting razed) for a lack thereof. Surprisingly some researchers are predicting that because of how Generation Z uses and interacts with technology that they will be more skilled at face-to-face communication than Millennials...but that might not be saying much. Generation Z has used tech tools like Skype, Google+ Hangouts, FaceTime, and Snapchat to communicate with one another using full sight, sound, and motion. This is also confirmed by the Sensis study where only 13% of those surveyed states they preferred to interact with their friends online than in person.

Gen Y:

Millennials get a bad rap. It is true that they are more self-centred and entitles than previous generations, but this also leaves them feeling for the most part isolated and misunderstood. Partially this has to do with their constant need for approval, instant gratification and their preference for online interactions rather than personal face-to-face ones. That said, as Gen Y gets older and reaches milestones which push them to start looking to the future and putting other people first, like children, there is a shift from their traditional experience and me-first tendencies to more long-term thinking.

Gen Y Key Drivers:

1. The me first generation

   Millennials grew up in an environment where everyone gets a prize, which has made them extremely entitled, according to the perception of older generations. They were coddled by their baby boomer parents. Because they are so pro-self-actualization they value workplace culture, CSR and work life balance over all else. They are willing to take a pay cut for a happier work environment, and are not particularly loyal to any one given employer. In fact, "Millennials are roughly two times more likely to leave a job after two years, 1.5 times more likely after five years and half as likely to stay after 10 years, compared to Generation X and Baby Boomers," according to Nielson's Global Generational Lifestyles Report[11].

   This is due to the fact that they feel economically free, and very confident about paying off debt once they have a steady income. This is also partially due to the result of the crisis, and additionally owning property in desirable places (urban centres, which Millennials prefer) feels so out of reach, that they tend to focus and spend on experience, up until a certain point. We see these trends change in older Millennials who, as they start pairing off and having families, shift their priorities to saving. Although, later than other generations, they make up for this by saving more aggressively than any generation before them. Once they start saving they are conscientious and methodical. This is also evidenced by a slowly growing number of Millennials who consider buying a home, getting married and having children as important goals.

   That said, Millennials start saving and are willing to do so, but only in a way that doesn't affect their overall quality of life. They are unwilling to "slum" it for a future good in an expanded period of time. Millennials also, on average tend to be dissatisfied with their current savings and retirement plans. In general, Millennials are interested in charting their own course and setting their own agenda, any paradigm that is prescribed is met with dissatisfaction and suspicion. They have a need to make

[11] Nielsen Global Generational Lifestyles: How We Live, Eat, Play, Work and Save for Our Futures, Nov 2015

their own opinions on the basis of all information available and build their own products.

2. Financially behaviour, illiteracy and disconnect

Millennials also feel disconnected from the financial services industry. Many financial institutions have yet to realize that winning over the Millennials requires overhauling how they connect with clients. Gen Y's tech oriented nature, has already had a significant impact on the industry, including steering away from tranditional financial advisors in preference for algorithmic solutions. Millenials want to be part of the financial environment, but they're often left with a feeling that traditional solutions and banks are not for them.

According to Experian, Millennials have mixed emotions about their personal finances:

- Feel finances are holding them back from their life goals like traveling the world or buying a home.
- Feel less financially stable than their parents did at their age, and they worry about being able to support a family, save enough for retirement, pay off their debt or even just become financially independent
- however, In the long run, they are optimistic and feel confident about their financial futures

Millennials have significant knowledge gaps with regard to their credit. While majority of Millennials consider themselves to be knowledgeable about credit scores and reports, they rarely check their credit reports and one in three does not know his or her credit score. Only half of Millennials understand how their annual interest rate is calculated. Similarly, although they tend to perceive themselves to be knowledgeable about credit and debt management, most credit card users do not know their card's interest rate. Despite this, they still tend to believe their credit score is average, or good, which tends to be a slight overestimation of the average. Even among Millennials with high levels of education and income, financial literacy is typically low.

Obviously, older Millennials have more knowledge and insight about their banking and credit situation, especially those who have debt or credit cards they use regularly. What is especially important to note is that 42% of Millennials, only pay off the monthly payment of their credit card despite generally being unaware of their interest rate. That said 84% pay on time. Most of all they consider credit cards a necessary evil, with about 60% going so far as to say that they are dangerous. In general, they define financial success as being debt free.

Although Millennials are conscious not to spend beyond their means, they are still interested in building up the credit, so they can make larger milestone purchases, like

buying houses. That said, many of them are unware of their spending habits, and have a tendency to max out credit cards for that reason.

While spending strategies for those with debt varies, nearly half state debt motivates them to be careful about spending. That said, younger Millennial respondents are more likely to take a longer-term view of their debt situation. They're also the most likely to refinance to lessen debt and are also among the most likely to feel like they must incur debt to buy the things they want and need.

Although Gen Y is committed to saving, they underinvest, and in fact generationally are likely to have the least investment overall. Distrust of the financial industry after the crisis seems to be the biggest factor in this lack of investment. Statistics from Facebook state that Millennials are actually 1.6x less likely to invest than older generations.[12]

They also live without a financial plan or the concept of financial planning. That said, their behaviour is responsible on average despite having no plan whatsoever. Over 52% in a Facebook global survey stated their biggest barrier to financial planning is not knowing where to start, the same can be said of investing, with 24% stating that they are not knowledgeable enough to invest.

3. Responds to Brand Loyalty and Loyalty programs

   A survey done by the American Marketing Association found that more so than Generation X and boomers, Millennials indicate a willingness to switch brand allegiance (80%) or shop at a different store (78%) if the switch would enable them to earn rewards they can redeem on gasoline purchases. In addition, more than half (56%) would shop at a different grocery store to save on fuel. Millennials are equally disloyal when a better offer comes along in terms of financial services, which in turn makes them over to alternative banking products, so long as they feel they are getting the best value for the service.

   In essence, millennials showed that their loyalty to discounts is stronger than their loyalty to brands if the result is higher, more valuable rewards. Only 5% of millennials say they join a reward program as a "way of supporting a favourite retailer or brand."

4. Remember what it was like before the internet and smartphones.

   Gen Y feels comfortable with digital, but they are nowhere near the digital natives of Gen Z. Average screen is topped at 2 devices. This generation remembers life before

[12] Facebook IQ: Millennials + money: The unfiltered journey, Jan 2016.

the internet and smartphones. They remember the rise of facebook from a college database to what it is now. They harbour discomfort over data use, and feel threatened and violated by over use. Many still have a tendency to go in store for final purchases. However, despite this, they still are the Facebook generation. They crowdsource advice and uses Google search obsessively as source of all truths. They do prefer using digital banking and interacting online than face to face. If they have a banking app, they tend to monitor it obsessively.

5. Prefers celebrities in ads to real people, and experiences over products. They live in the now and don't look towards the future. They are consummate optimists. Millennials are happier when their money is spent on living, rather than on having. Experiences are also what people increasingly use to define themselves across social channels.

6. Are readers, perfect text, communicate with text. They curate content and sharer. They have a desire to be discovered through these activities as influencers. They require Instant satisfaction and instant feedback and are focused on the number of likes and engagement their social media posts receive.

Commonalities

- Personal responsibility. Both generations are extremely interested in building their personal brand by gaining transferable skills that they can take to any job or leverage to become an entrepreneur.
- Company scepticism. Millennials were wary of company loyalty after witnessing their parents being laid off from a company they were loyal to. Similarly, Generation Z will be sceptical having witnessed the 2008 financial crisis and the controversy over the US National Security Agency spying.
- Development focused. The most important workplace factor for Generation Z is opportunity for advancement. The #1 reason Millennials leave organizations is due to lack of career opportunity.
- Mentor seeking. Generation Z seeks mentorship systems that will help them forge strong skills. And 75% of Millennials want a mentor.
- Difference makers. 60% of Generation Z want to have an impact on the world. And 84% of Millennials say making a difference in the world is more important than professional recognition.
- Traditional values like buying a house, getting married and having a family is still a priority for about 20% of both Generation Z and Y.

- Consumption: both Gen Z and Millennials eat out at least once a week, which is twice as much as older generations. Gen X also has a tendency to eat out fairly often. Both Gen Z and Y are conscious when it comes to food purchasing behaviour and supporting sustainable brands, with about 80% willing to pay more for goods and services that are societally and environmentally conscientious.

- Saving behaviour – both Gen Z and Y do not feel confident that they are saving enough for their financial future on average, with 70% need help figuring out what to do with their money, as they are not confident in their savings strategies, of which about 20% don't save at all. However, one-third of Generation Z (32%) and Millennial (34%) respondents in the Nielsen survey are wise beyond their years when it comes to saving for their financial futures.

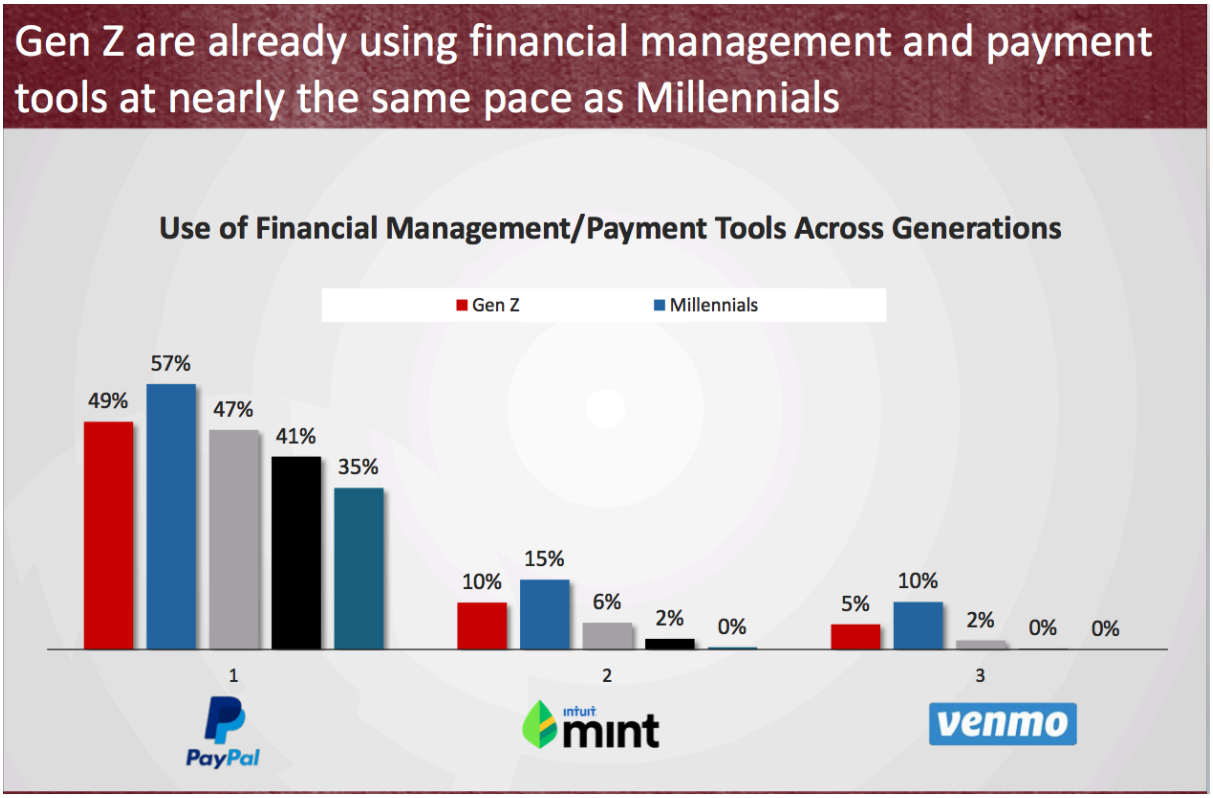
- Millennials were considered the first "global" generation with the development of the internet, but as more of the world comes online — Generation Z will become more global in their thinking, interactions, and relatability. 58% of adults worldwide ages 35+ agree that "kids today have more in common with their global peers than they do with adults in their own country." Diversity will be an expectation of Generation Z.

Gen Z financial product ownership (US stats)[13]

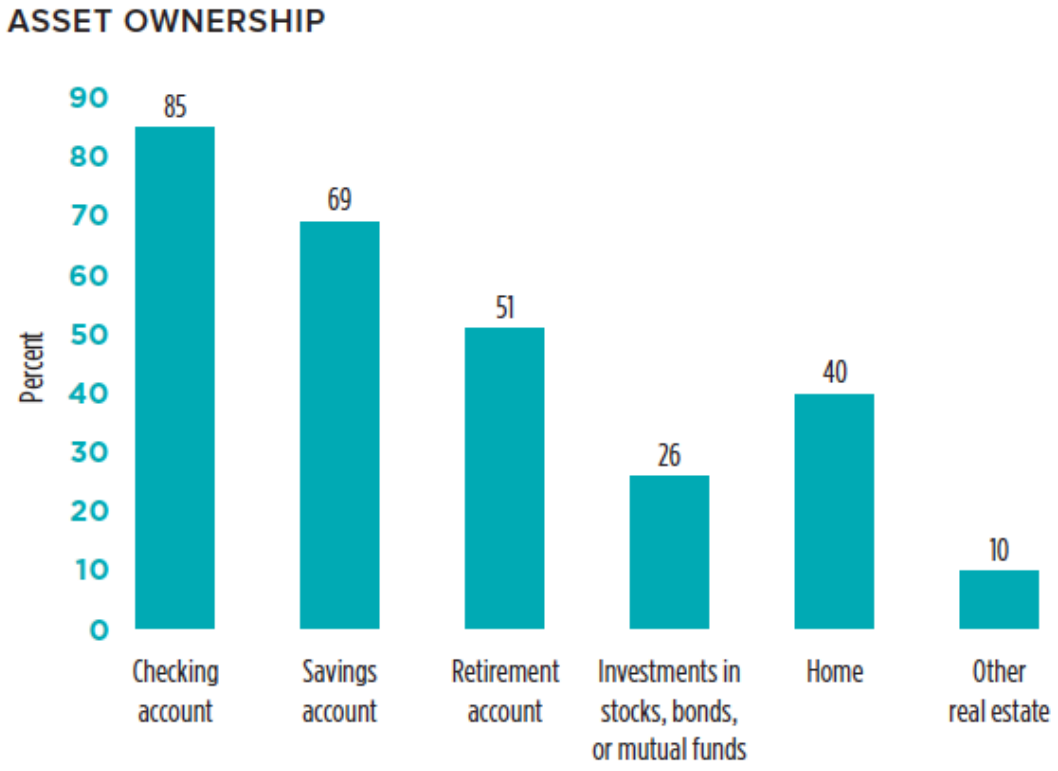
- Savings Account 60%
- Checking Account 54%
- Health Insurance 33%
- Credit Card 32%
- Car Insurance 25%
- Retirement Account 8%
- Stocks 7%

Gen Z Financial Management use vs Millennials

[13] Gen and the Challenges/Opportunities Driving Their Financial Mindsets, MOOD 2106, Lincoln Financing Group



Gen Y financial ownerships stats



Considerations

Gen X is still a powerhouse in terms of purchasing power. They also tend to be more of a loyal customer. Even our competitor N26, has reported that 40% of their customers are above 35 years of age. Additionally, given that Gen X are Gen Z's parents, the amount of influence both age groups have on each other should not be ignored. Lastly, Gen X tends to be very digitally savvy and less commitment adverse than Gen Y, speaking to its potential as a target group.

Target Segments

Payments

- Travel & Leisure
    - Holidays
    - Restaurants
    - Events
    - Transport

- Retail & Ecommerce
    - Groceries and Household Items
    - Clothing
    - Electronics and Appliances
    - Equipment

Savings. Investments and Credits

- Travel & Leisure
    - Holidays
    - Events
- Retail & Ecommerce
    - Electronics and Appliances
- Cashflow Issues
    - Emergency Expenses
- Equipment
    - Sports
    - Tools
    - Other
- Training Courses
    - Gastro
    - Continuing Education
    - DIY

Insurance

- Travel
    - Oversees Medical
    - Flight/Transportation

- Baggage
- Small Electronics

Personas

Traveller

- Sally loves traveling the world, but it's always such a hassle dealing with all the different exchange rates and paying extra fees every time she visits a new country.

Saver

- Jonah has wanted a carbon fibre fixed gear for the last few years, but there always seems to be another expense getting in the way. He wishes he had a way to save his money automatically.

Spender

- That cruise Anastasia has been dreaming about just went on sale, but it's the end of the month and she's strapped for cash.

Investor

- Spencer knows investing is a good idea, but he doesn't really have time to educate himself about it. He wishes there was a way that he could safely put away some money without having to go through the overhead of getting a financial advisor. He doesn't trust those guys anyway.

Social Butterfly

- David goes has a ton of friends, on the weekends he's rarely at home. Every time they go out together, they always forget to split the bill, leading to so much confusion and time figuring out who's supposed to pay for what, especially after a couple of drinks.

SWOT

Strengths

- At launch Galperin will offer comprehensive banking solution, on all markets we enter
- One of the main advantages of Galperin's launch and offering is the fact that we're entering into a more mature market, where our client is already somewhat educated.
- We have the opportunity to learn from our competitor mistakes and correct them prior to launch. Specficially:
    - Address communication problems/customer service issues
    - Address stability and reliability problems
    - Position ourselves as not another Banking Fintech
- Our travel mode works much more easily and efficiently compared to existing solutions.
- Multiple currency accounts, which take the pain out of money transfer.
- We will provide a credit for those opening accounts .
- Split the bill functionality to make outings with friend easier.
- Quick and easy money transfers among accounts.

Weaknesses

- Other online banks have already claimed to be the bank of the future.
- It will be difficult to differentiate from other online comprehensive banking services when comparing Galperin to existing offerings, looking at the service offering itself.
- It may be difficult to explain the USPs of our offering compared to other competitors
- Positioning ourselves to overtly with travel mode may cause us to be perceived as a travel app.
- Galperin has limited Start up capital, compared to our competitors. There is a risk that this capital will not be enough to ensure for successful penetration of the market.

Opportunity

Convenience, time-saving, and ease of use are the three big drivers of consumer engagement with online banking according to a new study by Mastercard in Europe. That said, the biggest difference between Gen Y and Gen Z in terms of financial services is that Millennials see mobile apps as a supplement to online banking and physical branches. Whereas Gen Z want to be doing everything via mobile. However, oddly enough, Gen Z prefers interacting face to face, and identifies an importance with having a interaction with a physical person (in person or remotely) to interact with when it comes to banking. This is supported by market data, which shows that Gen Z tends to utlises bank branches at a higher level then millennials, and expresses a preference for branch banking.

It is true that for both demographics building trust is among the top indicator for a banks potential on-going success. Therefore, it can be posited that the wider group will be willing to switch to an online-only bank as their primary service provider, if that bank can reliably provide them with the services and service they need and expect.

That said, should market penetration begin with partial adoption by Millennials to supplement their current banking, the Galperin app is built on the premise of up-sell and cross sell within the app. This will allow us to tap into the potential for them to switch entirely to our app for all banking purposes if the service satisfies their needs. This has several consequences within the marketing and the product strategy:

1) We must focus and communicating our offering and under-utilised parts of our offering to our clients within the app in a clear and effective manner. (Exactly what this looks like remains to be seen, but we can posit several experiments within our user stories for up sell and cross that as well as in app education, which can be tested and refined over time.) This requires performing upsell activities via a strong in-app marketing mechanism to ensure complete adoption.

2) We must take care of our monitoring the market and competition and be aware that many “offering-based” differentiators provided right now by our competition will quickly turn into hygiene factors and soon the neo/challenger bank landscape will only consist of a landscape just slightly varied from that of traditional banking. Winners will be those who have managed to build a loyal customer base and are able to provide near infallible service on a reliable infrastructure.

3) Our success will be contingent of going to market with an offering that takes into account which services are hygiene factors at time of launch. The product offering we push out during go-to-market cannot be something which is not strongly differentiated from the competition. We must answer the “Why Galperin” before it is even asked.

4) Our infrastructure must be infallible, within reason. We must show that our service truly is just as reliable as traditional banking infrastructure, despite not being traditional infrastructure. We need to make sure that we do not use providers that are being currently used by our competition, which is consistently failing. This over any other action we can make at this point, will build trust amongst our users.

5) Clear communication is key. We must also take advantage of the opportunity we have to communicate with our customers. We will never have a better access to our users than having the app installed. Right now, our competitors and banks are not using this channel to their advantage. A quick survey of their in-app and marketing communications shows, them leaning heavily on marketing best-practice without a real understand of the media they are using. This provides Galperin with a huge first movers advantage.

Financial Literacy & Educating the customer

In general, financial literacy is an ongoing cross-generational issue, by being completely transparent in our transaction structure and providing an easy was to acquire what they want and need Galperin has the opportunity to not only education and retain loyal

customers but also to help the financial services industry regain the trust of consumers through reliable, secure, highly available technology. In fact, according to the Lincoln study

- 68% of Gen Z feel that figuring out how to start planning for their financial future is too confusing
- 66% of Gen Z say they don't know enough to start planning for the future

Additionally, according to Opinium research 45 per cent of Millennials would switch banks if a better option came along.[14] However, Millennials are often maligned as the lost generation of financial literacy, for their lack of financial planning and understanding.

As both these groups constitute the future of the global economy Galperin has a huge opportunity to help educate future generations, this opportunity is one that our competition is not currently taking advantage of, they are still fixated on recommendations and on convenience of the product. Given the statistics cited earlier, only 13% percent of Gen Z seeking financial education comes from mobile app. This opens up a huge opportunity and potential for growth in building a brand that is reliable and transparent.

Building trust and acquiring users through recommendations

Recommendations as a primary source of acquisition provides a particular challenge within the contexts of mobile apps, with so many different ones available that provide partial or similar services. It's hard to both differentiate between offerings and feel tied to a given app, where the signup time is quick and availability is high.

From a customer's perspective, it seems easy to switch to a new app if something better comes along. As there are many apps in the market providing one-off services like international transfers (Transferwise for e.g.), wallet services, or coupling of several services via partnerships, which is gaining popularity within the sector, the space is becoming more and more saturated and confusing for potential customers.

Having all these services provided via one app is not without its appeal from user-experience and productivity perspectives. However, so long as these new all-in-one Fintech solutions continue to struggle with key processes, they run the risk of falling into the same situation traditional banks find them in, and actually providing more space in the marketing for supplementary solutions. Additionally, they will fail in their goal of replacing traditional banks entirely, much like streaming TV services continue to struggle to completely replace cable.

This opportunity here for Galperin is to not only ensure that we are learning from mistakes already made by out competition, but also to ensure our communication with new and existing users focuses on educating them and keeping them informed about features and issues. Proactive risk management will be key to our success and will differentiate us from our competition, who has taken a reactive rather than a proactive stance on these issues.

[14] https://www.ft.com/content/94e97eee-ce9a-11e5-831d-09f7778e7377

Saving and investment offerings

As stated above, according to recent media reports there is a sentiment among the banking industry that payments have already been revolutionized by Fintechs, but analysts do not believe that savings have been. Here we have a huge potential for growth given a Gen z target market, given their fiscal conservatism.

Additionally, as Gen Y grows older and starts building families of their own, they own financial planning will start shifting to the forefront of their minds. By educating them, and simplifying the savings process we stand to gain a new, loyal segment of users who have been largely ignored due to their “problem child” status.

Communication:

Best in class service

One main issue that the competition faces is that due to reliability issues in their infrastructure and the freshness of their service they are not able to replace banking in its entirety. If our goal is to be the premiere bank, the first choice we have to learn from their mistakes and ensure that from day one we can provide exactly what we claim to do.

Additionally, we have to look at the competitive offerings of each individual product offering prior to building our exact go to market in each individual market. Messaging may be different as the offering of our competitors may differ. In educated markets we cannot go out with “first mover” type messaging as it will be seen as naive and not meeting the needs and understanding. The Key will be in creating the right approach for each market based on the competition’s presence both local and global.

Best in class marketing

A huge gap in the existing marketing of comprehensive digital banking solutions, given that both N26 and Revolut (among others) have not come out with any consistent marketing materials. This is a major opportunity for Galperin to create an impactful entry into the market, controlling the message and how we communicate with our customers right from the start.

Certainly, this is a partially due to the fact that the competition has not used marketing at all or to a limited extent previously, but they are only now starting to invest into their marketing view. Additionally, their customer base is growing impatient with the mistakes and lack of ample support functions to deal with stressful situations. All of this points to an advantageous environment where we can learn from their mistakes and build trust by taking the test results from those already taking the first movers advantage.

Utilizing the mobile medium to its full potential is a major opportunity, we see in our competitors that they still have a strong reliance on traditional online media and do not utilize the full potential of their in-app communications, which is arguably the best marketing method any app provider has.

Risks

Hygiene Factor

In order to compete with our competitors, we must understand that many of the new features they are introducing will be hygiene factors by the time we enter the market. We will not be able to use these parts of the offers as differentiators.

Customer Acquisition Costs (CAC) and Total Lifetime Value

CAC of Banking products is notoriously expensive in personal banking, with insider sources citing ranges spend of 100 to 250 USD (where neo-banks are most prevalent and banking competition is fierce) to convert one customer. Certain neo banks have been successful in reducing these costs to as low as 30-50 USD. However, this cost does not factor in set up, operational or retention costs on the part of the bank which can vary into the 15GBP+ range, just at the start. Many of these banks struggle to re-cooperate these costs, which stand in opposition to the freemium pricing model that is meant flip the traditional banking model, and incentivize application download.

The main reason for this is also the main reason for lack of transparency and distrust towards traditional banks. Not only do traditional banks re-coop these costs over the TLV of their customer, they have the capital to allow them to assume a loss for a time (approx. 3 years), until they are able to re-coop these costs, spreading out the burden over time. Start ups, on the other hand, both lack the capital, the financial instruments that make the most money (like mortgages or salary deposits) to allow for this kind of spread. Additionally, they're aim is to stay lean in their operations, which makes it difficult to justify huge losses at the beginning in hopes that these costs will be eventually re-cooperated.

Lastly, it seems, to the author at least, completely counter-intuitive to be using traditional banking methods of monetization as a Fintech if the aim is to disrupt the financial sectors. It begs the question is changing the infrastructure truly disruptive? Regardless: These costs will too be a burden for Galperin, and run the risk of pushing away the potential customer and proper monetization of the customer will be key to Galperin's success.

Vendors and suppliers

Many of the up and coming challenger banks rely on the same licencing and infrastructure The customer doesn't care in most cases and is not interested in the technology back-end. For all they care everything that be provided through third party providers via one interface so long as the service is quick and reliable. So, it is important to note that here we will not be addressing the technology advantages of one product over any another, in the context of the end-customer, which is in our case the B2C personal banking clien.t

Communication

Navigating the communication landscape has been something our competitors struggle with, if we aim to provide better service and set the benchmark for this type of service, we need to be conscientious to ensure that our response rates are quick, informative and that we are monitoring all channels and most importantly that we are conveying the same message across all channels. Additionally, we must be conscious of localization issues, to ensure our message is consistent within all the local markets and languages that we are entering.

Fraud

On top of credit fraud, bot installs prey on paid app download adds. In fact, according to TUNE fraud rates in Europe range between 1-10%, Spain being one of the worst offenders. A recent report studying 24.3 billion clicks on more than 700 ad networks, found 8 ad networks are 100% fraud and 35 ad networks are 50% or greater.

One report based on digital security company WhiteOps' data, suggests that marketers lost $7.2 billion to digital ad fraud last year. Another, by ad verification company Adloox, suggests that marketers will lose $16.4 billion to ad fraud in 2017.

This problem can affect any app marketing campaign. Bots can also click on bitlinks which are linked to influencer marketing, and drive up conversion and impression. For this reason, we must be conscious about monitoring all online activities, especially paid ones.

Marketing Messaging

Vision: Who is Galperin?

Galperin is the bank that blazes its own trail. Unlike all the other banks on the market, new or old, we don't follow the rules, and we don't break them - we make them.

Our message is clear – we're your bank, because like you, we're fierce, independent and ready to take on the world. We stand by our customers and our values. We're more than just a bank - we're here to help you get shit done, so your life can be what you want it to be.

It doesn't matter what you're planning for yourself – saving for the future, for example - or if you don't have any plan at all, we'll help you understand how to make the most of your personal finances, so that they work for you. For those who don't know we're to start, we'll help you start on the right foot; for those more advanced will help you optimize your financial behaviour.

Galperin is different; irreverent; authentic. We don't care what the other people banks' are doing, and neither should you – because changing infrastructure and giving you free stuff doesn't mean that your bank cares or understands your needs. We make banking effortless and we meet you where you're at. Most importantly - we deliver on our promises.

Brand Values

Authenticity, Transparency & Integrity

Both Millennials and Gen Z are looking for companies and brands they can trust, who are just as authentic as they are. These values are illustrated by Galperin through clear, realistic communications that don't beat around the bush or give false promises to our potential users.

In application, this comes down to "There's no such thing as free banking." Freemium banking is just another illusion that is representative and symptomatic of traditional banking practices. Setting up a bank account maybe free at our competitors, but the additional fees and limitations are symptomatic of the fact that they have not found a solution to the operational costs associated with traditional banking. From the users perspective "That's ok, but just be straight about it."

As stated previously, simply changing the infrastructure isn't enough. So, rather than communicating that "you'll get this for free." Or, you'll "get something for nothing," Galperin will state **"You get what you pay for."**

Apps have been traditionally free when they have been provided by institutions or as a marketing hook, with upsells within the applications. For this reason, most apps are

undervalued. Galperin's app has value from the start, which is why giving it away for free will communicate the wrong message.

We want to be transparent with our clients from the first point of interaction, which means being honest not only about how much they pay, but also why they pay. We do not delude them into thinking that a free account is something of high quality, and we do not hook them in hopes that they will pay later. We are honest and respectful towards them, and therefore authentic and transparent.

Our competitors may have freemium models, however it's unclear how effective this model is for banking. Both Revolut and N26 have recently introduced premium options, which are slowly gaining users, but the majority of their users are still using the free service and paying one off transaction fees.

This gives us a great opportunity to poach clients from our competitors and to differentiate ourselves. Neo-banks say they're transparent, but what they don't tell you is that you'll have to pay eventually. If you don't pay, you'll:

- get worse service (Revolut)
- the system will falter (Revolut/N26)
- you'll have to pay fees for certain transactions or beyond certain thresholds (Revolut/N26), which are more expensive as one offs then paying upfront.
- cleanse you from their system precisely because you're costing too much (N26).
- change their pricing rules, and not tell anyone (Monese)

Freemium isn't free, despite what the name misleads the consumer into believing. It's only free under certain criteria, which is still not clear for the customer. As they use the service they are not able to predict what their transactional costs will be for any given month. In markets where salaries for our target groups are relatively low, these costs have a real impact on their purchasing ability and monthly expenses.

In this way, neo-banks *are* selling the same lies that traditional banks, who also pretend to have "free services" and then bundle costs into other products they sell you over time. This illusion of "free" is worse coming from challenger banks, because they are pitching it under the guise of new found "transparency."

Instead, Galperin will truly be transparent – our accounts aren't free, but they are easy to use, they work, they're stable, and we're here for you whenever you need. We don't promise you a free account or an 8-minute signup that really takes anywhere from 30 mins to days on end. You don't promise instant online backing and then but you on a waitlist for weeks on end. In the end, that's what Integrity is all about. Our clients deserve to know what they're getting and why, in a clear and digestible message that is not meant to confuse them or gain sympathy because "we're just figure this stuff out."

Personalized Care, Clear Communications, Partnership

Beginning with being authentic is a good starting point, but in order to build loyalty, it needs to be backed up by actions. One of the biggest issues leading to lack of transparency in banking is lack of personal understanding of client needs and clear communications on what they're paying for and how, as evidenced above. All additional fees are in the contract, and easy to miss even for the savviest consumer. It's no wonder that younger generations mistrust banks when this type of behaviour is compounded on the fallout of the crisis. Millennials in particular are looking for their banks to partner with them and to guide them through out their financial journey, as they are the least financially literate of all current living generations.

Common to both groups is their global mind set, and their self-identification with diversity. Both groups are highly individualistic and goal-oriented, focusing on balance, mindfulness and improving the world around them. Millennials, just as Gen Z, are still in the process of self-actualization, not afraid to change course to stay true to who them really are. This can be seen in trends of Millennials changing their spending and saving behaviours as the get older, and therefore creating new trends like saving at higher rates than any generations before them, as mentioned earlier.

The opportunity to engage with them personally, which is purveyed thanks to mobile, is unparalleled. It will allow us to take advantage of the plasticity of the generation, if only we provide them with the financial tools they need and this includes, very importantly, the requisite knowledge to be financially successful, powered by automation and the ability to clearly explain the automation, and truthfully make things easier.

Trust

All of this surmises into the question of trust. As started above, Millennials and Gen Z are particularly mistrustful of banks. The question comes down to why should they trust us with their finances, the financial future, and why should they be loyal to us? In forging personal relationships with our clients, and ensuring availability when dealing with their issues and questions we will build trust. Millennials still might be into celebrity endorsement, but Gen Z is looking for normal people like them to share knowledge and know how. Also, Millennial's might want the next lipstick from Kim Kardashian, but they're not going to take banking advice for Kanye, though they might from George Clooney. Either way, they crowd source, and use their Facebook wall as the way to figure out everything from paint brands to investment advice. Then they take that, and google the shit out of it before coming to a decision. That means no matter what we do, we need to build a community that shares knowledge and advice and genuinely likes and trusts our product.

It has been proven that checking bank balance in app quickly becomes addictive. The aim is to employ sticky tactics within our app, which will keep users coming back for more through the use of engaging micro-copy, incentives, and gamification. The first point in building trust will be delivering on our promises to our clients, firstly during the pre-acquisition phase and

soft launch, and then throughout service delivery, which comes not only from reliable service, but also from meeting our users where they are at in their own financial journey and using the data we collect about them in a manner that provides them value.

From the very initial point of contact we should aim to be as consistent in communicating with our clients, and providing services they can depend on. This goes for everything we do as a company. When need to make sure we communicate changes and issues quickly and efficiently. We need to be proactive about feedback and fixes. Our aim needs to be to make our clients become co-owners and co-creators of the banking products we provide them. This will not be achieved through crowd sourcing endeavours, this will only be achieved by involving the and helping build the journey from the first point of contact. We cannot fake caring about them, we must truthful care and on a much of an individual basis as possible.

Tone

The tone of voice in the app and marketing materials will be fresh, and little bit in your face, just slightly pushing the boundary of professional discourse. This is where we start to convey authenticity and build trust. Our tone will depict a feeling of reliability without stiffness and it will be meant to inspire confidence in a very personal way. It will overall be natural, not trying to be hip or cool. It, like everything at Galperin, must reflect our values and the core of our clientele, who can sniff out fake, marketing actions at a moment's notice.

Communications will be the way we truly differentiate ourselves from the competition and from traditional banks. We will employ bits of humour running through the app, and be sensitive to local nuances during localization, teasing at how we're neither a stuffy traditional bank nor are we just another Start up "bank" that doesn't have their shit together.

Logo and Brand Mark



The Galperin logo has two main elements, a cat glyph that can be user independently and the name of the company "Galperin". The logo reflects a modern, independent vibe. Our clients identify themselves with the Galperin Cat, which has been chosen because it ideally anthropomorphises Galperin's target users and their needs, including:

- Independence
- Curiosity
- Adventurous

- Straight forward
- Brave
- Self-sufficient
- On the move
- Classic
- Adaptable
- Dynamic

Key Messages

- Untangle your finances
- There’s no such thing as free banking
- You do you. We’ll take care of the rest.
- Map your financial journey with Galperin (better wording required)

Execution

In order to build trust, Galperin will take a very personal approach to providing financial services based around truly understanding what a given client needs by understanding who they are. The client is more than data points and a series of preferences, they are an individual and their personal banking ought to be, well, personal.

For this reason, we must balance data insights and their behaviour trail we collect with valuable communications across the entire funnel, from pre-acquisition, acquisition, conversion and retention activities. The point here is that our key differentiator is how we communicate and provide value along the whole lifecycle and how we build long term relationships with our users. Taking advantage of all the insight listed above, we will take this approach:

- Our client is in the centre of the story. We help them achieve their destiny over time, by enabling and informing them in their financial journey. We meet the client where they are in their financial journey, therefore taking advantage of both novice and advanced users. We are that partner they've been looking for. For those who are not even ready to take on and craft their own financial destiny, we build tools outside of our app to nurture them.
- A highly personalized campaign will allow us to play to the strengths of each group. We know Gen Y is focused on the experiential – they are spenders, whereas we know that Gen Z is fiscally conservative, but also would like to travel and explore the world. Taking advantage of understanding our customers on this micro level will allow us to tailor the message to those individual personas, hooking them with different parts of our product, without treating them as simply data points.

Communications Strategy

Overall, our aim is to make the most of new media – that is mobile and App to App communications. Although this will require some heavy leg work at the beginning, it will allow us to leverage and interact with our users in a way that is currently not utilized in the market and gives us first movers advantage in building the new marketing landscape of App-only communications.

It will also keep us ready for the coming shift in App acquisition marketing as all online tools move towards mobile and traditional online marketing strategies start being reframed into a mobile first landscape.

Additionally, testing will be an integral part of our strategy. A/B tests and monitoring will heavily influence how our campaigns and communications will look in future, based on actual customer engagement. Our optimal channel mix and copy formats will be validated and optimised during this time. We will also take care to start targeting potential gaps in the market based on the results of testing and monitoring.

Lastly, the feedback loop with our clients will be primary in our way of assessing and tweaking our product and our communications in future. Much of how knowledge is shared

amongst the generation is via crowd sourcing, for this reason we must build an active community of engaged users even during the pre-acquisition stages of our campaign. This will be achieved using tools like community forum hosted in our website, Reddit channels, Facebook and Linked In groups. The approach will require us to hire community managers in future who will monitor and engage where necessary. Additionally, the internal infrastructure we use needs to be well automated to identify potential issues, keep communication flow going and keep resourcing at a minimum.

Lastly, our strategy very much depends on learning from the mistakes of our competitors. By scrubbing their online channels, we get a clear picture of user expectations, how they communicate, where there are gaps and, therefore, to introduce solutions as a hygiene factor prior to the hard launch, post scoring trial completion.

Channels

- Social Media: YouTube, Reddit, Facebook, Facebook Messenger, Snapchat, Instagram, Twitter, Medium, Linked In Pulse
- Influencer Marketing
- Blogs and Vlogs – via a rewards program. This campaign will focus primarily on Gen Y and will be shared across Gen Y channels such as Facebook and LinkedIn. Videos and Ads will run traditionally and be more-glossy, as Gen Y is much more emotional and aspirational in nature than Gen Z. Additionally, text write ups will accompany all media, as this is still the preferred choice medium of Gen Y.
- Podcasts – creating our own and partnering with influencers.
- In App communications
- Owned Community forum (knowledge base), Interactive FAQs
- Physical Events, hosted and external including industry conferences.

Methodology

Marketing Funnel and Acquisition Channels

Galperin's Acquisition Marketing activities will focus on a mix of Gen Z and Gen Y specific initiatives. Stories will be built around each persona identified above and targeted towards uses of that type. All marketing initiatives will be heavily tested, and optimized, even during UX testing and pre-acquisition activities.

Pre-acquisition Activities for Pre-launch/Soft Launch Scoring Campaign

AIM: to acquire 1000 suitable users to test scoring mechanism, Duration Nov 1- Jan 30.

The primary campaign is meant to acquire 1000 value users to test our scoring mechanism. This means that the campaign need to fulfil the following criteria:

- Provide a large enough sample for proper testing, within favourable conditions (exact entry acceptance criteria will be determined during workshops with AMA).
- Considering that we should aim for an expected campaign conversion rate of 15% in organic growth (as per industry norms for email list building campaigns). We will need to ensure a reach of 6,500 visitors. If we discount mechanisms like social shares. (Social sharing mechanism dramatically improve this amount acquired contacts by 20-30%.) This campaign will allow us to also collect early adopter for our launch.
- Conversion here will be considered a user who leaved their email on the Galperin waiting list.
- Succesful participants of the scoring campaign will be considered as a chance to participate in a private beta.
- The campaign should be evergreen, as too allow its mechanism to bring in leads even after the scoring test is over with few tweaks.

The campaign will be our first communication with the world, and will utilize viral mechanisms, as well as loyalty mechanisms like gamification: i.e. the person with the most shares who convert will receive a prize. We will use incentives like first user badges to gain the emails of potential customers. This mechanism will be able to be recycled in other future campaign.

The main mechanism will be to reach out audience via lesser known channels, like Reddit, to spread viral images that start positioning ourselves against the competition. They will be short meme-like graphics with messages that point out our competitor's flaws without overly naming them. Memes will be tailored towards the personas identified above. The concept is to spark people's curiosity about us, and drive them to a landing page that tells them more about Galperin, our product, and encourages them to leave their contact details by signing up for the waiting list. The following steps are as follows:

- Social sharing mechanism, post leaving an email
- Entry into an email campaign, that allows us to ask follow-up questions to pre-qualify them for credit and incentives answers. The exact form will be determined after workshops with AMA.

- The email list will also be entered into marketing to build further excitement around the launch and market research campaigns prior to launch with incentives that will encourage users to help us shape the application and makes them feel like co-owners and co-creators of the application.
- We will also use this mechanism to self-identify influencers from within the cohort to become “Galperin Ambassadors”(working title) These Ambassadors will need to fulfil certain criteria (partially the result of AMA), this title will give them a badge within our application (to be confirmed) and will allow them to be community moderators of our community pages (for example). Other incentives could include, customizing the colours within the application, or the look of the Galperin Cat and free subscriptions for x amount of months. (To be determined with CTO office).

For example:

- Meme-like images mixing aspirational visuals with their lack lustre counterparts using “perception/reality”
- epic fail gifs

Each image will employ a tag like following taglines:

  - There is no such thing as free banking
  - Get what you pay for
  - No bullshit banking

And the Galperin logo with our tagline: Untangle your finances.



THERE’S NO SUCH THING AS FREE BANKING

Galperin
untangle your finances

The visual meme campaign will be supported by in depth materials that expose real banking fees and how they work. These materials will be mostly focused on education, but will give Galperin a boost in transparency, authenticity and integrity. They will be showcase in long form copy and in vlog/podcast form depending on the audience (Gen Z or Gen Y)

These activities will be tracked using traditional online marketing mechanisms like cookies and pixels, so that we can measure performance of both the images themselves/channel and the landing pages. They will be regularly updated. It will give us clear feedback on our assumptions about our target group quickly as well.

We will also use the campaign to experiment with paid social media advertising on a small budget to see if these conversions make sense in the long run. Facebook remains the best vehicle to market Viral Marketing campaigns. Memes also open us up to channels like Pinterest, which are not commonly used for this type of campaign. In fact, edgy lifestyle visuals will allow us to make sure of social channels generally ignored by the banking sector

like tumbler, Pinterest, 9gag etc. The pre-acquisition phase will be ideal for this type of experimentation, as such its aim will also serve to identify which channels will be the best for us to focus on.

Lastly, because of the underground nature of the campaign, we will be able to leave an air of exclusivity around the campaign, and do a follow up campaign for people who want to request access.

Lastly, the output of this campaign will also give us a pretty good indication of what kind of conversion rate to expect for pre-acquisition activities post launch.

Acquisition Activities

AIM: Our goal is to have 60,000 MAU at the end on 12 months from our hard launch date. This goal is subject to change, as our monetization model become clearer, for our goal to break even.

Acquisition, defined here in, is the process leading to the success download and registration within the Galperin App. Note: Part of the acquisition activities will be in the ongoing pre-acquisition campaign.

Influencer Marketing

Starting in December, we will run there will be an influencer acquisition campaign, to get influencer within our demographics to get to know us and our app, in parallel with the pre-acquisition/scoring campaign.

Influencers will be identified via social media networks and also, as mentioned above during the scoring campaign. Other influencer acquisition channels include YouTube, Reddit, Twitter, Instagram (stories) and Snapchat (if relevant). Facebook and Linked In will be tested to see what kind of penetration will work best. We will also contact the few Gen Z consultancies to see how they perceive the product. Our focus will be on finding influencers both in the personal finance area (especially from Reddit) and in the topic areas corresponding to our identified segments and personas. As we gain knowledge from the scoring engine, we will also be able to tailor our activities more precisely.

The aim is the creation of an Influencer network. Ultimately, Galperin needs to make sure we own our relationship with our influencers not only to ensure we collaborate effective and to the right audience but also as a USP for our B2B Partnership. According to Nielsen, it is essential for success to evolve the relationship from a one-way sales pitch to a two-way conversation. And be transparent and accountable. Online brand advocates can quickly become adversaries with the power to damage credibility and reputation if things go wrong.

Prior to the official hard launch, in January (during the scoring tests) we will organize events in major cities (previously identified for Spain, but now under review) of our target markets for influencers. We will do a week-long roadshow, where we will meet them selected influencers in person and build personal relationship with them. We will incentivise

influencers with first insight into new features, and a credit incentive (amount still to be determined) via referral to other influencers and some exclusive brand incentives. Influencers will serve as our brand ambassadors, also helping us co-create the application and help us educate our customer.

The medium of influencer marketing will be video. We will steer clear of Instagram photos, unless explicitly meme like or to show who we are inside Galperin. Static Instagram influencer marketing completely does not work for our product, as very well showcased by N26s efforts to use it. Instagram stories, may be an option. We will only use channels for purposes that explicitly work the medium we are providing.

One of the challenges of our any influencer marketing activities will be the tracking and benchmarking of these activities. Tracking based on cookies and pixels is notoriously unreliable, especially given add blocking plug ins. Also, a downloaded app (device ID), can only be matched to online user via Google advertising ID, if a downloaded application is opened within 24 hours of download, and even do the longer within the 24 hour period the more susceptible it is to data loss.

Additionally, bot installs, prey on paid app download adds. This makes it extremely difficult to map the customer journey, especially consider that influencer marketing in our case is likely to occur from app to app (preferably) then from web to app – which again makes tracking extremely difficult. There will be a substantial potential for data loss here, which require a lot of effort for us to ensure monetary incentives are awarded properly, and for us to calculate true traffic and conversion rates, and Return on Marketing Investment.

Incentive/Referral Program

As mentioned above, Galperin's competitors have grown their significant foots print through selected incentives organically over time. They have only now started, in the case of N26, to invest in overt advertising with better or lesser successful execution[15].



A referral program is a complete hygiene factor at this point, when it comes to acquisition marketing. However, we can learn from both our main competitors in terms of mechanics. Other than being plagued with infrastructure issues, Revolut also completely drops the ball on communication. The level of hate on their social media and within their knowledge base is really astounding. Revolut's referral incentive was a 5GBP credit, launched in Nov. 2015. It's not clear when they removed it, however on their knowledge base, customers complain about its removal without any

[15] More in the advertising section

communication. Referral links are still active, but they don't seem to be incentivized. N26 on the other hand, choose a pool customers at regular intervals for participation in referral campaigns. What criteria for choosing these customers is unclear.

Given Galperin's budgetary considerations, its posited that a 5EUR incentive program be introduced (to be reviewed) along the lines of Revolut's very successful campaign to minimize risk and costs. This also is completely determinant on the budget closer to launch. This incentive should be reserved for wait listed people from the scoring campaign. Additionally, we could consider a larger incentive for influencers, like a loot box, with explainer materials on how to use the app.

Community

The power of crowd sourcing information cannot be understated in our demographic. As such, our approach to building a successful acquisition funnel, requires us to also build an active community of Galperin fans/users. Part of this will be done through the content and services we provide, as well as our influencer marketing, but additionally we must provide our users a space where they can work together, guide them with their hashtag use and encourage them to promote their user experience. As stated in the incentive program, this can partially be done through in app add ons, but some of the work will require us to engage in conversations on social media with our users, rather than simply posting news and things about new features on our social channels. As such we also need to take advantage of polling features, live chat and video streaming when interacting with our customers.

Content

Educating the market – financial literacy continues to be the biggest barrier to financial awareness cross-generationally. By linking Gen Y and Gen Z with financially savvy influencers we will build brand loyalty while encouraging transparency within the financial sector. This is make us a leader beyond our competition, who are concentrated only on providing services.

Other considerations:

In terms of Gen Z, some Gen X friendly materials will be produced, given the clout of child-parent relationships. This may also allow us to open up another target market, given the influence Gen Z has on their parents.

Conversion

Ensuring successful conversion, means more than leading to an app download. For us, a conversion count as a successful registration, including completion of the verification process. In order to ensure competition of the registration process we will use pushes and SMS notifications. Once we have acquired the user to the extent that the app is downloaded, and we can verify it as such (this will happen at the point of first open – prior that we unfortunately we are not able to do so.)

Considering we are completely app-focused, we posit utilizing mobile as the primary channel through which we will communicated with our customers. For this reason, we will avoid email on-boarding follow ups. This, however, will be tested during the scoring period to

ensure effectiveness. At the end of the day our aim is to meet our user in the interaction point that are most effective for them. So, if we notice that a certain segment responds better to email than to push notifications or in-app notifications then we revert. In this case the content will not vary, just to execution and delivery method, making it easy to switch paths and test variants.

We will also use a tool (Lean plum) that will allow us to detect if push notifications have been deactivated, or if an app has been deleted. It also lets us know where we have problems in our flow and which method of communication is the more effective. This these insights we will be able to follow up with our users effectively based on the communication channel of choice.

Retention

Galperin's main task after registration, is to ensure continued use of the app and to provide exemplary customer service to ensure low churn rates. The average churn on a SaaS service is 3 months. Customer retention will be achieved through the following methods:

1) Built out easy to follow onboarding process
2) Upsell and in app offers based on customer data & usage data.
3) Continuing engagement campaigns that keep the customer informed about products and services
4) Clear communication for issue management via in app and push notifications
5) Chat feature for instant communication

Our retention strategy is almost completely based in effective, addictive micro copy and in transforming in-app marketing into a vehicle for educating the customer. As the App environment is changing, so does marketing and communication. However, as evidenced from the competition and for information in the market, very feel applications utilize the true potential of mobile. They are still fixated in using traditional online channels.

Marketing will use the in-App communication capabilities to build multi-touch campaigns within the app to educate the customer of new features, helpful capabilities and interact with them to gather feedback. We will apply proven multi-touch email marketing campaign tactics and apply them within the in-app eco-system. Through the use of deep-linking, push and in-app notifications we will be able to customise the customer journeys of our users to become the partners they a looking for, in terms of financial education and success. We will make sure they are getting directly to the content and functionalities they are looking for and need. The ideal mechanics of this retention mechanism will be built out during User acceptance testing. We must test thresholds of frequency, personalization, segmentation and delivery method. Eventually, we will gamify the education aspect of the application, and possibly monetize it (TBD how), to incentivise users to invest in their financial literacy – thereby addressing one of the biggest gaps on the financial market. This too will make us ideal partners for parents who want to set up account for children. The perception will be more than a bank account but also a learning tool.

Testing and monitoring will be essential to ensure a stabile amount of Active Monthly Users. Churn standardly happens within 3 months. Some churn is good – getting rid of the dregs, in other cases user leakage signifies issues within the product offering and the services levels. The sooner we understand what issue we have and the sooner we fix them the more we can manage this.

Lastly, regular quarterly updates will be sent to all users with exciting news etc. to keep them feeling personally involved with the growth of the company.

In-App Campaign and getting more data and ahead of churn

As stated above, Gen Z, for example is willing to give up data if they get something of value and they feel that they are receiving something of value in return. In the same way, we will launch an In-App marketing campaign that will allow us to provide the customer more on the basis of their own financial knowledge – as this is major pain point for both Gen Y and Gen Z. By allowing them to self-assess and asking them if they would like to participate and gain more knowledge we will be able to tailor our product more to their need, and also build detailed cohorts of users based on financial knowledge and engagement.

Additionally, we will introduce a number of sharing and viral mechanisms that will allow this to quickly supplement our referral and acquisition campaigns, as well as provide a more detailed picture of our users for additional product and promotional uses as time goes on. Again, it cannot be overstated that if we are able to take advantage of the gap in the market that is financial literacy, literally growing with our users, we will be able to build loyalty for life, by providing exactly what they seek, a bank to partner with.

Cross Sell/Up Sell Methodology

Similarly, to the retention methodology, and in fact cross-sell and up-sell can be considered one of the tools within the retention portfolio, we will use insights from 3rd party vendors, and those found within the app to highlight and educate users about useful parts of the offering as their usage triggers a need for other functionalities or access to new or existing offers. The exact mechanics of this will be determined within the following months, especially as a result of user testing and scoring.

Scaling and Pricing Considerations

As we scale it will be essential to ensure that our customer service and in-app communication stays on an exceptional level in order for us to maintain continued differentiation on this level. Additionally, special care needs to be given when considering a trail period of any type.

Brand Awareness and Brand Building

PR

In the case of Galperin, traditional PR will be mainly used to build Brand Awareness and to build space for potential investors and acquisitions. As such, we will follow the best practices

used in industry, announcing our presence in a given market, the pre-launch of our product, launch and other important news. We will focus on Tech-media including, but not limited to:

- Tech Crunch
- Business Insider
- Forbes
- Venturebeat

And forge relationships with Fintech writers like Romain Dillet, from Tech Crunch, who regularly covers Revolut and N26. We have identified a full set of media and authors to contact for this purpose. We want these journalists to start calling us for quotes.

In terms of local market activities, we will work with local PR agencies/freelancers to ensure that we gain access to the right contacts. This will be primarily achieved by networking with local Start up and Fintech communities, who can point us to the proper channels in a given country. This will likely also require face-to-face meeting to ensure effectiveness. Press releases should start circulating around the time of the soft launch (scoring tests)

Additionally, to traditional and online media channels, Galperin will also start being present at industry events, to start being present as a player in the market, the presence can be limited to attendance in year one, but it is imperative that we start building these relationships and start having speaking engagements in order to be perceived as industry leaders. (Full list of events to come).

Our first fully-fledged public appearances and press coverage will occur at the start of the scoring trail. This will allow us to build hype prior to the official launch. Additionally, our pre-acquisition activities may encourage media interest, as such out media/press kit must be completed prior to launching the campaign. A detail PR calendar will be built once scoring and product structure is finalised.

We will also do our own publications via our social channels, Medium and Linked IN Pulse

Advertising

Galperin's advertising campaigns will be based around simple, digestible messages that will be easily understood in 15 seconds or less. They will consist of a strong visual whether in image or in video format with a strong statement that drives the point home followed but our logo and tag line. The idea centres around our communication philosophy which is to keep our messaging short and to the point. This also goes in line with the shorter attention spans of consumers in general. For these reason, advertising will rely heavily on idiomatic expressions in English and in Local Languages to illustrate our point. Here are some examples of advertisements concepts for our Go-to-Market Campaign:

Tagline: Untangle your finances
Concept: Simplified, transparent banking.

Campaign concepts:

- Pandora's box: Box is tied with a bow. On screen "Your banking should not feel like Pandora's box" Ribbon unties and reveals Galperin: Untangle your finances"





- Ugly sweater: 3 people stand around the watercooler at work in ugly 90s sweaters. A fashionable person walks in. On screen "Maybe it's good you didn't get the memo" pause. And then fade out to Galperin: Untangle your finances"





- Guy walks into a bank branch, but everyone there is on strings like a puppet. On Screen: "No Strings Attached" fade out to Galperin: Untangle your finances"



Galperin
Untangle Your Finances

- Cat chases string in circles. “Does it feel like your banks giving you the run around?” Fade out to Galperin: Untangle your business





- Guy on a tight wire losing his balance “Banking shouldn’t feel like your hanging by a thread” Fade out to Galperin: Untangle your business

- String concept:





These concepts will be used in line with influencer marketing to create buzz prior to our launch. The idea is to drive traffic towards our landing and sign up pages during the soft launch, and later to drive app installs. Additionally, each one of these graphics will supported by materials on our own Blog and/or Vlog/Podcast that will address pertinent questions like:

- Why we charge
- Why they're getting certain communication
- How we go about things different
- How to make the most of certain features

The reason why materials will be released in long form blog and video format is because Millennials still engage in reading long form blogs, while Gen Z is more Video focused when it comes to important communication. Podcast are also gaining a lot of traction amongst Millennials recently, with some countries seeing 60% growth in the last two year, which is why they are worth investing in. It is important to note the personal tone and approach of our will be consistent throughout the blogs as well, speaking and personal conversational tone. All of this will be outline in a complete style guide that will accompany the brand book.

Organic

The basis of our organic traffic will be on word of mouth, via social media and using our influencer network and social shares, as stated above. Additionally, to that our website will have the following attributes:
It will be optimized for mobile:

1) We are a mobile app
2) Google is switch to mobile first crawling as the basis of their ranking

A full analysis of keywords and hashtags will be done, the former using a tool like SEM Rush. All text will be optimized using SEO/SEM norms, and a style guide, as mentioned above, will be written for contractors to use when writing text for us to ensure proper positions. Additionally, the website will be regularly updated and audited, according to changes within scoring criteria.

We will also take care to monitor organic traffic to identify supplementary channels that we may not have considered during the beginning of marketing process. This is essential to keep on top of the dynamic nature of our demographic.

Paid

In terms of paid marketing activities, our approach is to invest in our users rather any paid advertising. Paid will be kept at a minimum, as will SEM. Focus will be on App to App marketing activities, and Mobile SEO.

Paid advertising will work best during our pre-acquisition activities, however we must be conscious of the issue with fraud in online advertising, especially in terms of APP installs by bots, as previously mentioned. Decisions to invest in these kinds of campaigns will be on an as needed basis and we will test certain penetration on small budgets as to minimize risk. As will all campaign, these will be rigorously AB tested and optimized ensure the best effective reach and ROI possible.

Merchandising

The Galperin Cat gives us much in the way of merchandising opportunities which in turn will allow us build relationships with our users and brand awareness. Taking into account crowdfunding norms, many pledgers/investors invest to get special perks, including and not limited to branded “loot” that is only exclusively available to them. As such, stickers, cell-phone cases, t-shirts, hoodies and even plushies (which are a super hit amongst the young and nerdy) other branded items should take a role in our marketing strategy. This is especially true of influencer marketing if we want to get on Instagram in a meaningful way. It basically takes the in-app reward system/gamification outside the app, and also allows us to work outside of normal banking incentives – like special cards. Online branded merch can also incentives via things like snapchat filters, emoji sets, bitmoji.

Partnership and Partner Programs

A wide spectrum of brands will be approached for co-branding and potential marketing initiatives in terms of customer acquisition and in-app marketing opportunities. These initiatives will be identified on an individual basis and will create added value for our clients as well. Overtime we will allow for our partners to advertise special offers within the app, however we must be very careful with data leakage, as it can become very easy for our partners to reverse engineer the detail profile of a customer, depending on how deeply we allow them to target them using the data from our app, within our app.

CSR

CSR is of major importance for both Gen Z and Gen Y. As the Galperin’s symbol is a cat, we will look to work with cat-focused CSR initiatives in active markets. Our CSR program will focus on community driven opt-in with our users. The sketch of the mechanics is as follows:

Users will be able to opt-in to donating to the Galperin Foundation. We will run both an on-going and seasonal campaigns. The on-going campaign will also be part of our go-to-market and a major mechanism in our relationship brand building. The reason why we are creating a foundation and not partnering directly with charities is two-fold:

1) It is extremely difficult to ensure quality and transparency in foreign charities, which require us to put together a governance structure of checks and balances anyway.
2) It limits how our users can engage with the campaigns.

Although the mechanics of the campaign still need to be confirmed, the concept is as follows: our on-going campaign will include an opt-in (as some point after registration) if they would like certain amount of their transaction to go towards a the foundation. The foundation and its charter, plus an exact way that the money will be used will be written up in detail in the in-app FAQ and on the website. In fact, the foundation should have its own domain. Galperin will match all donation amounts (as an example) to incentivise participation of our users. Those who have contributed will get regular updates on what their money is doing, and will also be given rewards for certain thresholds of donation, for

example. Or they will be able to choose what kind of charity actions they want to contribute to. Once we reach a certain threshold the community will be able to nominate charities that fulfil certain guidelines in a given geography, we will do these cyclically to guarantee that each market gets a voice and sees an impact. Users will then be invited to vote on the winning charity and the winning charity will receive the funds and the winning nominator will get some sort of recognition, they will also be made into influencers by recording and relaying the news to the charity and the hand-over of the funds. These campaigns will be run strictly through our social media channels.

Seasonal campaigns will give people the option that have opted out a chance to participate and opt in again. As mentioned all CSR activities will be promoted and shared via our online channels as part of our on -going marketing program. We will encourage our influencers to become involved, and promote our CSR campaigns in this way as well.

Metrics

Success and monitoring of the metrics associated with the above activities will be imperative to our goal to break even within 12 months from launch. As such the following metrics will be tightly monitored and will be optimized as prudently as possible:

- Monthly active users (MAU)
- Conversion rate
- Profit margin
- Runway - amount of time before the company runs out of cash
- Monthly burn – net amount to negative cash flow
- Overhead
- CAC recovery time
- Ratio of CAC to LTV
- Lifetime value
- Customer retention rate
- Customer Acquisition cost

Tools, Tracking, Testing

A detailed interaction model with a concept map that is mapped to user stories, and buyer journeys of our personas will be created for each scenario. These paths will be used as our base line and to determine finalized content needs prior to soft and hard launch. As such they will allow us to pragmatically and quickly tweak our communications as we go.

Key to understanding and improving our interaction model will also be the tools we are using. As stated previously some tracking will not be fully accurate given the nature on online tracking mechanisms, but interactions from an in-App perspective we will be able to improve dynamically using reliable data thanks to Lean Plum. Additionally, it will allow us to segment our users into deeply detailed cohorts, which will improve our acquisition activities.

As mentioned above, the execution of our pro-active communications will be largely dependent on our ability to automate notifications and certain communications effectively. Part of this will come during the build of the interaction model, which will start by integrating

solutions to issues found by scrubbing our competitions channels, the other will be deeply dependent on ensure a complete set of user scenarios for customer service is built, maintained an optimised. Reaction time to inquires will be key to our success when it comes to trouble shooting, which is one of the KPIs on which our competition consistently fails. As such, our choice of CRM for Customer Service will be one of the key factors in our success, as well as the feedback loop between Customer Service, Marketing and Product.

Local Market – Spain

According to demographic data, Spain's Millennials are considered "the lost generation" with 50% unemployment on average. Those who are employed earn 1000EUR/month on average. Microloans are often used as a way to supplement income. The demographic is split evenly amongst men and woman.

Still banks in Spain are trying to get Millennials as customers by introducing app only online-banking offers, which are provided for free, and by pass the arduous branch and paper route. That said a recent study of Millennials and Fintech by Fintech Espanga found:

- In general, traditional banks still have great influence as a means of access to the financial system
- Apps provided by traditional banking institutions have a strong presence, and limits the possibilities of new competitors
- Young people between 20-25 show a distinct preference for web-based banking, rather than app-based banking, which a big opportunity for Fintech
- Financial literacy is the largest entry barrier and market growth barrier. Financial literacy is directly linked to awareness of Fintech and lack of interest in financial issues.
- Systematic saving is still one the main parts of Spanish financial culture despite issues with financial literacy
- Payment and transfer apps are the most prominently known, however they still are not only the radar of more than half of the respondents.

Spain as such does not differ within the demographic break down of its Millennial and Gen Z population in comparison to the global trends already mentioned above. However, the main barrier will be the general economic state of the country and the purchasing power of Millennials as such. The two single most impactful factors on the success of any campaign in Spain is their employment rate amongst our target group and the political situation in Catalonia.

Gen Z and Millenials use the same types of media and follow the same types of blogs as others in their demographic globally. As mentioned above our target group is known for being more global than local.

In terms of specifics that impact the overall go-to-market strategy, when entering the Spanish Market they are as follows:

- Identification of Spanish influencers through local and Spanish language channels on Social Media
- Building relationships with local Fintech and Startup Communities to build contact and network
- Localization of App and Marketing materials into Spain and Catalan, using native speakers to ensure the right tone and style is used.
- Testing by Local speakers and users to keep in mind cultural differences
- Focus on educating potential customers, as 40% has no knowledge of Fintech

- Organize local events in affluent cities such as Barcelona and Madrid for local influencers.

Conclusion

Galperin is focused on experience marketing. We're marketing the experiences people have thanks to our app and within our app. We're building a community that can share those experiences and have new experiences together. Every channel and every acquisition activity is based on changing their experience of banking and standing in strong juxtaposition to what banking has traditionally been. No matter which channels we use we want to navigate our customers throughout their long-term life journey in a way that enables them to live their lives well and realize their dreams.

Appendix

Competitor Incentive program

Revolut

https://twitter.com/revolutapp/status/665169746044829697?lang=en

https://community.revolut.com/t/referral-code-strategy/3788

N26

https://support.n26.com/read/000001297?locale=en