

Wally Competitive Analysis

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Competitor Profile | PayPal



Overview

We'll be analysing one of the major competitor companies called PayPal. PayPal offers an online payment system enabling their users to manage and move money, and offering choice and flexibility when sending payments, paying or getting paid.

Website <https://www.paypal.com/us/home>

Key Objectives

PayPal's mission statement is "**we believe that now is the time to reimagine money, to democratise financial services, so that managing and moving money is right for all citizens, not just the affluent**". They stand out from the market by providing a revolutionary service using technological innovation, to democratise financial services and giving everyone an opportunity to transfer money as they wish.

Bottom line

- Empowering people across all levels of society to join and thrive in the global economy
- Available in more than 200 markets
- Receive money in more than 100 currencies, withdraw funds in 56 currencies and hold balances in a PayPal account in 25 currencies

Overall Strategy

The top Google search results for PayPal are their own website, their Twitter account, and the PayPal wikipedia page. Other results are PayPal reference pages on websites for companies such as "WooCommerce", "Shopify" and "BrainTree Payments" offering PayPal as one of their payment providers. PayPal have a newsroom page on their website where they share blog-style stories of businesses who use their service. Articles are posted on average three times a month, with the most recent one posted over five weeks ago. In comparison to the newsroom page, they are a lot more active on Twitter where they have 680.700 followers and posts every 3-4 days.

They've got a 4.8/5-star rating based on 747,000 ratings on the App Store, and a 4.3/5-star rating based on 1,000,000 in the Google Play store. This suggests their app has been better optimised for iOS than Android. The app is rated as the #1 finance app in both the App Store and the Google Play Store.

Bottom line

- They've got strong search results on Google with their own website as the first search result directing people straight to their website to use their service
- Their app ranking in both the App Store (4.8/5) and Google Play Store (4.3/5) are high, which could suggest this is where they get most users from
- The newsroom page on their website could improve on the frequency of which they post new content

Market Advantage

As one of the biggest players on the digital payment market PayPal has an enormous advantage in comparison to other digital payment providers. The top Google search results do not only link directly to their website and social media accounts, other top search results refer (well known) companies who work with PayPal, emphasising the usability of their product and the influence PayPal has on the market.

One article points out PayPal's solid history of satisfied users. It also labels PayPal as "*a reputable company with enough security and customer protection in place to keep you relatively safe online*" (source: <https://www.thebalance.com/is-paypal-safe-315818>). On top of that, it says "*using PayPal might be even safer than giving your credit card number or bank account information directly to the website you're buying from.*" As an online payment provider, there's not much more you can wish for in terms of reviews.

Blogs mention PayPal transfer fees are very large compared to other eWallet services. These fees are sometimes hidden and because of their widely known and trusted name, PayPal seem to get away with it (source: <https://moneytransfercomparison.com/ewallets/>).

As already mentioned, the PayPal app is the number #1 finance app in both the App Store and the Google Play Store. On top of that, the apps are very well rated on both stores, giving ultimate exposure to users searching for finance apps.

Bottom line

- They've positioned themselves at the top of Google results which likely feeds into a market advantage loop
- Their app is ranked as the #1 finance app in both the App Store and the Google Play Store with almost immaculate rating on the App Store. This likely feeds into a market advantage loop
- Google results provide a lot of companies using their services emphasising PayPal's large influence on the market and the wide stretched usability of their service
- Google results confirm the security of the service, and even call it a safer way of making online payments than using a physical card

Market Profile

PayPal was found in 1998 as a company that developed security software for handheld devices. Within a year the company shifted its focus to a digital wallet, which is still their mission today. In January 2021 the company became the first foreign operator with 100%

control of a payment platform in China, aiming to become in an advanced position as to the online payments (source: <https://en.wikipedia.org/wiki/PayPal>).

According to PayPal, they set themselves apart by providing a digital payments service to both people and business across more than 25 currencies.

As a result of the COVID-19 pandemic, PayPal's stock has increased by 78% as of October 2020. Their total payment volume increased by 29% in 2020. Both put the company in a strong financial position.

Bottom line

- They've been around for more than 20 years
- They changed their original mission after a year but stuck to it since
- Stock recently increased by 78%
- They recently became the first foreign operator with 100% control of a payment platform in China
- Their service is widely available across 200 markets, supporting 25 currencies, many websites and to both persons and businesses

SWOT Profile

Strengths	Opportunities
<ul style="list-style-type: none"> - Has a large global presence in over 200 markets, making it the largest player in the electronics/mobile payment industry - Their large customer base and history of 20+ years makes it a widely accepted and trusted brand - Their service is known as a safe and secure payments system - Ranked as the #1 finance app on both App Store and Google Play Store - Recently gained a unique position in the Chinese payments market - Stock increased by 78% due to the COVID-19 pandemic 	<ul style="list-style-type: none"> - The demand for digital payments has increased due to the COVID-19 global pandemic meaning new companies are likely interested in using their service - Increasing the number of currencies to more than 25 means more economies would be able to use their service - By increasing the quantity of posts and social engagement on their social platforms they could target a new generation of users - Removing or decreasing processing fees makes it more attractive for small business or persons to use their service - It could expand itself in markets who are moving to cashless economies (e.g. India)
Weaknesses	Threats

- High processing fees can turn users away from using the service

- The service is dependent on internet connectivity, making it challenging to use in lesser developed countries

- As one of the major players on the digital payment markets, they naturally become a main target for hackers and frauds

- With the rapid increase in demand for digital payments services, more competitors are likely to arise on a global scale

Competitor Profile | Revolut



Overview

The second competitor we'll be analysing is a relatively new player on the online payment market, called Revolut. Revolut is a financial technology company offering a wide variety of finance services in one app, from everyday spendings to savings and investments.

Website <https://www.revolut.com/>

Key Objectives

Revolut's aim is to **"enable consumers to manage their finances from a single app"** and thereby **"help customers improve their financial health, give them control, and connect people seamlessly across the world"** (source: <https://www.revolut.com/about-revolut>).

They offer a wide variety of finance features, including the ability to connect multiple external bank accounts, budgeting analytics, junior accounts, investing in stock and crypto, saving options, money transfers, group bills, subscriptions, and extras such as rewards, donations, and overseas insurance.

Bottom line

- Wide variety of standard finance features all in one app
- An array of expanding extra features (e.g. investing in stock and crypto, rewards, donations and overseas insurance)
- Transferring money abroad in 29 currencies
- Currently only available in 37 countries: the EEA, Australia, Canada, Singapore, Switzerland, Japan, and the United States.

Overall Strategy

A Google search shows results of the Revolut website and their Twitter account, Facebook page and a link to their app in the Google Play Store. Other search results highlight Revolut's recent application for a UK bank license, and an article explaining what Revolut is.

Other search results refers to the company using fictitious figures for their ads and disabling a system designed to automatically halt transactions to individuals who matched against sanction lists (source: <https://www.bbc.co.uk/news/business-47768661>).

Their app rates 4.9/5 based on 405,000 reviews on the App Store and 4.7/5 based on 940,000 reviews on the Google Play Store.

Bottom line

- They have recently put in an application for a UK bank license suggesting their service is on the uprise and will likely expand their if it gets granted

- They have a great rating on the App Store and Google Play Store which, taking into account that this is their main product, will be their most lucrative source of users
- There are news articles out there highlighting questionable actions the company has recently taken that could turn users away or question their credibility

Market Advantage

As a relatively new company founded in 2015, Revolut's service is highly focused on the latest finance tech offerings. They offer the standard variety of digital payments features such as making payments, transferring money, splitting bills and on top of that have a set of additional features such as managing linked accounts, collect rewards and make donations. This can be classified as gamification to engage their users with their service.

Revolut is available in 37 countries of which the majority are in the EEA. Withdrawing money from any ATM is free for up to £200 a month and costs 2% after that. On top of that, it's free to transfer money to any international bank account. Their exchange rates are real-time, meaning there is no difference between the buy and selling price. To protect against exchange rate fluctuations, they do charge a 0.5% - 2% service fees for payments made on the weekends.

They've repeatedly been in the news due to controversies. First of all, one of their algorithms which is designed to automatically trigger suspension of accounts, has led to a growing number of accounts being suspended for weeks or months at the time. Due to a lack of sufficient compliance agents from Revolut to review the automated suspensions, customer can't access their accounts, and are not able to contact their support channel but instead automatically directed to responses from a chatbot. Secondly, in 2019 a former Revolut employee came out and shared information about Revolut's employment practices and work culture, providing evidence for unpaid work, high staff turnover and employees being ordered to work weekends to meet the performance indicators.

Bottom line

- They are currently only available in 37 countries of which the majority is in the EEA
- No rates on ATM withdrawals and international money transfers, and real-time exchange rates
- As a young tech company they are flexible and up-to-speed to meet today's customer demands of digital payments
- Poor customer support
- Customer accounts can be temporarily frozen due to their algorithm
- They have been in the news with controversies relatively much for a young company

Marketing Profile

Revolut's original mission was to manage their finances from a single app, which is what they are still carrying out. They are even providing their offerings by attempting to gain a UK banking license, which would officially make them a bank.

Setting up a Revolut account is extremely easy and only required proof of ID. On top of that, you can start using your account as soon as you've set it up and don't need to wait for the physical card to arrive.

The company tripled in value in February 2020, due to a completed funding round making them the United Kingdom's most valuable financial technology startup. They moreover became profitable in November 2020.

Their app is their main product and it's rated extremely high in the App Store with 4.9/5-stars.

Bottom line

- They stuck to their original mission
- They've recently become profitable and tripled in value
- They're set apart by their array of expanding extra features

SWOT Profile

Strengths	Opportunities
<ul style="list-style-type: none"> - They offer a wide range of standard and additional features - They're a young tech company allowing them to adapt quickly to the customer demand of a digital payments service - Setting up an account is very easy - Attractive ATM withdrawals, international money transfers and real-time exchange rates 	<ul style="list-style-type: none"> - Further expansion internationally outside Europe, for example in Asia - Improve influence among young travelers who could benefit from the free currency exchange and international withdrawals
Weaknesses	Threats
<ul style="list-style-type: none"> - Poor customer support - Their algorithm can automatically freeze customer accounts - They're currently only available in 37 countries - There is a surcharge on weekends - Because it's not a fully fledged bank, you don't have options for credit card, overdraft, or a savings account. 	<ul style="list-style-type: none"> - There have been recent controversies about their credibility and work ethics - There are other digital payments companies out there who are available in more countries and currencies - With the rapid increase of demand for digital payments services, more competitors are likely to arise on a global scale

UX Analysis | Revolut

Usability

The Revolut app is very usable and offers a good experience. It contains a lot of features and information, and although it's been structured well it can be a little overwhelming to start of with. It sets an expectation to actively engage with your money on many different levels which can be a positive feature for people who wish to do so, but also put other people off who feel overwhelmed by the high level of interaction and information presented to them. There is also no easy way to set budgets or monitor spendings based on different categories.

Layout

As mentioned, the app contains a lot of information and features, but it's easy to know where you are. This is mainly due to the bottom menu, which categorises the main groups into "overview", "capital", payments", "rewards", and "marketplace". Within each group, there is an additional menu at the top of the page which allows you to switch between tabs within the page. It means you can dive into a specific category without losing bearings of where you are.

Navigation Structure

The landing page of the app is used to display any recent transactions on a bank account. This makes it easy for the user to get an update of their spending behaviour and they can easily find out more details of the transactions by clicking on them. Also presented on the landing page are "rewards" where the user can spend money to receive discounts, an analysis of their weekly spendings, and "market news" on stock prices. Particularly the "rewards" and "market news" are two features that are rather specific and might not interest the average user. It would make more sense to use this space on the landing page for other information.

Compatibility

Revolut is available on iOS, Android as an app. You can also use the Revolut via a web browser and web-app. No issues come up when testing the service across devices.

Differentiation

Revolut offers a single app experience to manage all finance related tasks. They offer a wide variety of standard finance features, as well as an array of expanding extra features (e.g. investing in stock and crypto, rewards, donations and overseas insurance).

The UX of the app is very good and doesn't present any issues. Rather than elements that are missing, the app features can be experienced as overwhelming. We might be able to stand out by offering some of the main features that Revolut offers, and removing additional features that may not speak to the average user such as "market news".

It is surprising that Revolut puts so much attention to interacting with your money, but there is no easy or straight forward way to set a budget and manage spendings. This is therefore a second area where we might stand out by offering just that, instead of for example "market news" with the latest stock prices.

Calls to Action

Users can sign up very easily by providing a phone number and address. The sign up process is clear, straight forward and guides the user seamlessly. It also allows the user flexibility in how they want to use the app, for example by giving them the option to receive a physical card or only use the app with a digital card. After the sign-up process, there is no onboarding process. Users are able to explore the different elements of the app, but to fully experience the service and to start making payments, a proof of identification is required. Accessing a Revolut account from a web browser is only possible after providing proof of identification.