



**CATÓLICA  
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BUSINESS & ECONOMICS

# **The Positioning of TransferWise in the Swiss International Remittance Market**

- Recommendations for the Business Development of the Millennial  
Generation based on Competitive Environment and Target Group  
Expectations

**MSc Dissertation**

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Dissertation submitted in partial fulfilment of requirements for the degree  
International MSc in Management (Major in Strategy & Consulting)  
at the Universidade Católica Portuguesa, 04/01/2017.

## Abstract

**Title** – The Positioning of TransferWise in the Swiss International Remittance Market

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**Background** – Recently, the banking industry entered a period of disruption, triggered by FinTech startups focusing on specific niche markets.

**Objectives** – The goal of this dissertation is to advise TransferWise: Recommendations are given regarding key currency routes and main customer targets within the Swiss population, in light of the current competition, expectations and needs of identified potential segments and actual remittance flows.

**Methodology** – In order to do this, market research is conducted, expert and target group interviews are held, and mystery calls are performed with main competitors.

**Findings** – MoneyGram is the leading competitor in terms of speed, Xendpay and Currency Fair based on price, and traditional banks PostFinance, ZKB, Cantonal Banks and UBS based on client preferences. Main segments that TransferWise should target are immigrants, cross-border workers, international students and Swiss students abroad. Of these, most relevant are especially digital-affine individuals with regularly occurring transfer needs from non-Euro countries. The core needs differ among the segments, but price and trust are most significant. Dominant remittance sending and receiving countries are Italy, France, Spain and Germany.

**Implications** – Academically, this thesis bridges traditional literature with innovative FinTech business models as basis for future research. Practically, the research offers first-hand insights into Swiss international remittance user groups, their preferred service providers and needs. It can support startups like TransferWise in their business activities, but also established money transfer organizations and banks.

**Keywords** – Retail Banking, Disruption, FinTech startup, Money Transfer, Remittances

## Resumo

**Título** – O posicionamento do TransferWise no mercado de remessas internacional na Suíça.

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**Enquadramento** – Recentemente, a indústria bancária entrou num período de rutura, impulsionado pelo nicho de mercado das startups FinTech.

**Objetivos** – O objetivo desta tese é aconselhar a TransferWise. Relativamente às principais rotas monetárias e principais alvos na população suíça, considerando a concorrência atual, expectativas, as necessidades dos utilizadores e os atuais fluxos de remessa.

**Metodologia** – Assim, pesquisa de mercado, entrevistas ao grupo alvo e a especialistas, e chamadas anónimas aos principais concorrentes foram efetuadas.

**Resultados** – MoneyGram é o principal concorrente no que respeita à velocidade, Xendpay e Currency Fair relativamente ao preço, e os bancos tradicionais (PostFinance, ZKB, Bancos Cantonais e UBS) no que respeita às preferências dos clientes. Os principais segmentos que a TransferWise deve selecionar são: imigrantes, trabalhadores fronteiriços, estudantes internacionais e estudantes suíços no estrangeiro. Destes, os mais relevantes são os indivíduos utilizadores de serviços digitais que necessitam de fazer transferências de países cuja moeda não é o euro. As razões diferem entre os segmentos, mas o preço e a confiança são os mais significativos. Os países que mais enviam e recebem remessas são a Itália, a França, a Espanha e a Alemanha.

**Implicações** – Academicamente, esta tese conecta a literatura tradicional com os inovadores modelos de negócio FinTech. Esta demonstra aos prestadores de serviços relativos a transferência de dinheiro, nomeadamente à TransferWise, o que os clientes esperam de transferências de dinheiro internacionais.

**Palavras-Chave** – Banca de Retalho, Rutura, FinTech startup, Transferência de dinheiro, Remessas