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## Zopa: Time for a Brand Redesign?

Gemma Newton, brand and communication manager at Zopa, looked out across the River Thames from the Zopa office toward the City of London, where many of the United Kingdom's high street banks had their headquarters. Those bastions of old money were not only Zopa's competitors but the very reason for Zopa's founding: to provide customers with a better deal in investing and borrowing by way of a technology-enabled peer-to-peer lending approach, which would prove disruptive to traditional lending models that were more expensive for customers. Zopa had succeeded in making a mark. In August 2015, it had become the first peer-to-peer firm in the United Kingdom to lend over £1 billion in its lifetime, holding a 2 percent share of Britain's personal-loan market.<sup>1</sup> Zopa now set its sights on scaling further, serving more UK customers with a broader range of products. But if Zopa were to become a household name, it needed a strong and distinct brand identity. To support Zopa's goals of reaching more potential customers, Newton undertook qualitative and quantitative research, including customer feedback on the company's brand. As she sifted through the research results, Newton wondered whether she should recommend that the company undertake a brand redesign.

### Zopa's Offering, Customers, and Competitors

Founded in 2004 as a marketplace for lending and borrowing, Zopa offered its first loan in 2005 when the company launched to the public. As a peer-to-peer lender, Zopa matched individuals who had money to lend with individuals who wished to borrow money. By being entirely online and using technology to do the matching, Zopa had low overhead costs, which enabled it to offer higher rates of return to investors and lower interest rates on loans to borrowers. As of August

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2015, Zopa had served more than 200,000 customers, comprising 146,000 borrowers and 61,000 lenders, with lenders receiving an average return rate of 5 percent a year.<sup>2</sup>

The name “Zopa” was an acronym for the “zone of possible agreement,” a term used by negotiators to denote the bargaining range within which both parties in a negotiation meet their needs. Outside that zone, one party or the other would be unsatisfied and unwilling to accept the deal. Zopa’s original logo featured a Venn diagram depicting this place “where all are happy.”<sup>3</sup> (See **Exhibit 1** for Zopa’s logo.)

Zopa offered unsecured personal loans to consumers (not businesses) who typically used the loans to purchase a new car, improve their home, or consolidate existing debts. Zopa’s customers were typically between the ages of 21 and 55, with an average income of £25,000, and were comfortable using technology and being online.<sup>4</sup> Zopa’s customers were motivated by great rates and wanted to make smart choices.

The primary way that new customers learned about Zopa was through online loan price-comparison sites. On these sites, the only branding element visible to the customer was the company’s logo,<sup>5</sup> which appeared as a small graphic within a grid of competitors. (See **Exhibit 2**.) Zopa also acquired new customers through pay-per-click search advertising (branded and generic), through affiliate partnerships with loan brokers, and through direct marketing campaigns such as direct mail.<sup>6</sup> Social media tended not to be a priority customer acquisition channel because it attracted people to whom Zopa could not offer loans because their credit history was not sufficiently strong.<sup>7</sup>

Zopa’s main competitors were traditional banks, such as Barclays, as well as the banking arms of large UK retailers such as Marks and Spencer, Sainsbury’s, and Tesco, all of which commanded tremendous brand awareness among consumers.<sup>8</sup> (See **Exhibit 3** for competitor logos.)

## Brand Design

With Zopa enjoying an abundance of investors seeking to lend money, the company’s growth challenge was to find new customers for its loan products. Zopa was not looking to change its target loan customer profile but rather to attract more of them and increase its wallet share with them.<sup>9</sup>

Zopa’s current brand design included a logo with the brand name in a Venn diagram, with a gray-orange-yellow-white color scheme. The logo used no tagline, unlike for instance the way competitor Sainsbury’s logo had “live well for less” directly following its brand name. The brand referents (i.e., the concepts and ideas associated with the brand that help to form the brand image) that Zopa hoped to evoke included innovation, disruption, superb technology, and a streamlined customer experience.

As Newton analyzed the consumer research that Zopa had conducted, she noticed several issues. For example, some consumers considered Zopa’s logo to be complex: they were unsure how to read it or understand the brand name within the logo. There was a potential for confusion

with an online estate agent called Zoopla. Further, Zopa sought to differentiate from other online lenders that operated in the payday category, such as Wonga. Finally, some Zopa employees felt that the Venn diagram was less relevant as Zopa planned to expand the types of products it offered to include savings products as well.

On the other hand, Zopa had spent eleven years building its reputation among investors and the financial press. Zopa was identified as a disruptor and a company that had not only survived the financial crisis of 2008 but had delivered positive returns to its investors throughout the crisis, emerging as the United Kingdom's leading peer-to-peer lending service and being voted "Most Trusted Personal Loan Provider" in the Moneywise Customer Awards for the previous six years in a row. Zopa felt it had earned its reputation as an innovator by "obsessing about technology, data, and delivering an exceptional customer experience."<sup>10</sup>

Because it was a company with no brick-and-mortar presence, any graphical design change that Zopa made to its website could have an outsized effect on existing customers, who were accustomed to navigating the site in a particular way to make loan repayments or manage investments.<sup>11</sup> (See **Exhibits 4 and 5**.) Online-only companies such as Facebook and Pinterest faced these same issues: how to make their online identity streamlined, intuitively obvious, and instantly recognizable across multiple sites and platforms.

Any redesign that Zopa undertook would require a budget. The company could allocate about £400,000 as a one-time set-aside that would cover research, redesign, and implementation. Each of these facets had several sub-facets that would need to be identified and budgeted. For example, implementation involved redesigning every page of the website and also creating offline branded goods such as PowerPoint templates, business cards, letterhead, and so forth.

## Decision Time

Newton contemplated her options. She needed to poise Zopa for the dramatic growth that senior management envisioned, and the company's brand image would be key. The company had a strong reputation—would a brand redesign help or hurt it? Did it make sense to change the logo? Should the color scheme change? She was even willing to consider a brand name change, if it was needed. How should the budget be allocated across the three facets of research, redesign, and implementation? If an advertising agency should be brought on board, what precisely should its assignment be? A brand redesign would require resources of time and money which otherwise could be focused on other marketing initiatives. Newton would have to come up with a convincing rationale for her proposal.

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**Exhibit I: Zopa's Logo**



Source: Zopa

## Exhibit 2: How Logos Are Displayed on Car Loan Comparison Site

Company Logo	Loan amount	Representative APR	Loan term	Action
	£500 to £10,000	49.9% APR variable (£500 to £10,000)	1 year to 5 years	<a href="#">See Deal</a>
<p>Guarantor must be a homeowner, or a tenant with a very good credit history, aged 18 to 75 years old.</p> <p><b>Representative Example:</b> The representative rate is 49.9% APR (variable) so if you borrow £4,000 over 3 years at a rate of 49.9% p.a. (variable) you will repay £195.16 per month &amp; £7,025.76 in total.</p>				
	£3,000 to £50,000	19.1% APR (£3,000 to £50,000)	1 year to 5 years	<a href="#">See Deal</a>
<p>No deposit &amp; rates from 4.9%. You must be employed full time, earning over £1000 per month, aged 24 – 59 to qualify. Mobile friendly. This is a car loan broker.</p> <p><b>Representative Example:</b> The representative rate is 19.1% APR (fixed) so if you borrow £5,250 over 4 years at a rate of 19.1% p.a. (fixed) you will repay £153.14 per month &amp; £7,350.72 in total.</p>				
	£1,000 to £50,000	16.8% APR (£1,000 to £50,000)	1 year to 5 years	<a href="#">See Deal</a>
<p>Get your finance approved before you buy the vehicle of your choice at any dealership across the UK. All credit profiles considered. This is a car loan broker.</p> <p><b>Representative Example:</b> The representative rate is 16.8% APR (fixed) so if you borrow £5,000 over 5 years at a rate of 16.8% p.a. (fixed) you will repay £118.69 per month &amp; £7,121.40 in total.</p>				
	£1,000 to £15,000	9.9% APR (£1,000 to £15,000)	1 year to 5 years	<a href="#">See Deal</a>
<p><b>Representative Example:</b> The representative rate is 9.9% APR (fixed) so if you borrow £7,500 over 3 years at a rate of 7.72% p.a. (fixed), you will repay £240.15 per month &amp; £8,645.40 in total.</p>				
	£2,000 to £75,000	32.4% APR (£2,000 to £75,000)	1 year to 5 years	<a href="#">See Deal</a>

Source: Money.co.uk, "Compare Car Loans," <http://www.money.co.uk/loans/car-loans.htm> (accessed June 27, 2017).

### Exhibit 3: Competitor Logos



Source: Barclays, <http://www.barclays.co.uk> (accessed June 27, 2017).



Source: Marks and Spencer, <http://www.marksandspencer.com> (accessed June 27, 2017).




Source: Sainsbury's, <http://sainsburys.co.uk> (accessed June 27, 2017).



Source: Tesco, <http://www.tesco.com> (accessed June 27, 2017).

## Exhibit 4: Zopa's Homepage


[Become an investor](#) [Sign in](#)



### MoneySuperMarket's Best Personal Loans Provider 2016

- ✓ No early repayment fees
- ✓ Quote won't impact your credit score
- ✓ Rates often lower than the banks

See our loan rates



**Excellent**

★★★★★

Based on 1,703 reviews  
See some of the reviews here.

TRUSTPILOT TRUSTPILOT

★★★★★

23 November

**So prompt and helpful**

Zopa have saved my life on more than one occasion, I'm always accepted with good rates.

Trevor Staines


★★★★★


16 November


**Excellent**


Fast, easy and efficient


Chris















[See all awards](#)

What the press says




"Zopa is the pioneer of peer-to-peer lending, which uses the internet to cut out the banks entirely. It matches savers with individuals who want to borrow, leaving out the bank and offering better rates all round." — [The Guardian](#)

### Become a Zopa lender

Zopa lenders have earned millions of pounds in interest by lending money directly to responsible borrowers.

With peer-to-peer lending your capital is at risk and isn't covered by the Financial Services Compensation Scheme (FSCS).

Lend your money



### Got a question?

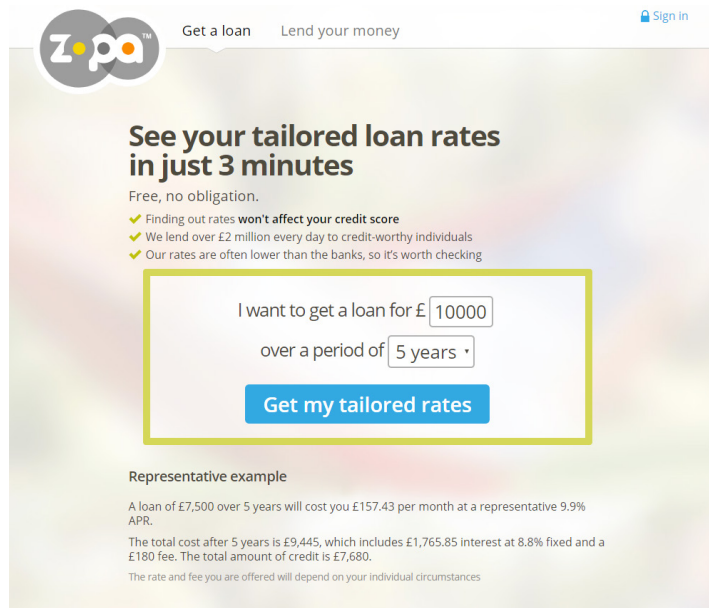
Email: [contactus@zopa.com](mailto:contactus@zopa.com)

Telephone: 020 7580 6060

We can't take applications over the phone. UK residents only. Calls may be monitored or recorded.

Source: Zopa

## Exhibit 5: Zopa's Loans Landing Page



The screenshot shows the Zopa website's landing page for loans. At the top, there is a navigation bar with the Zopa logo, "Get a loan", "Lend your money", and a "Sign in" link. The main heading reads "See your tailored loan rates in just 3 minutes". Below this, it states "Free, no obligation." and lists three bullet points: "Finding out rates won't affect your credit score", "We lend over £2 million every day to credit-worthy individuals", and "Our rates are often lower than the banks, so it's worth checking". A central form asks "I want to get a loan for £10000 over a period of 5 years" and features a "Get my tailored rates" button. Below the form, a "Representative example" section provides details: "A loan of £7,500 over 5 years will cost you £157.43 per month at a representative 9.9% APR. The total cost after 5 years is £9,445, which includes £1,765.85 interest at 8.8% fixed and a £180 fee. The total amount of credit is £7,680. The rate and fee you are offered will depend on your individual circumstances."

### Who is Zopa?

Zopa is the UK's largest peer-to-peer lending service. We offer low rate loans to people who are good with their money.

We've lent £1.74 billion to over 150,000 people since 2005.

APRs from 3.9% - 34.9%



- ✓ Money Supermarket's Best Personal Loans Provider 2016
- ✓ 3 times winner of Moneyfacts' Personal Loan Provider of the Year (2014 to 2016)
- ✓ 7 years in a row: Most Trusted Loan Provider in Moneywise Customer Service Awards

### What the press says

**MailOnline**

"Zopa allows savers and borrowers to bypass banks and their high charges" — [The Daily Mail](#)

### Why Zopa?

- ✓ Low rates
- ✓ No early repayment fees (flexibility to repay loan early or make extra payments)
- ✓ Borrow between £1,000 and £25,000
- ✓ Loans available over 1, 2, 3, 4 or 5 years
- ✓ Voted Most Trusted Loan Provider (Moneywise Customer Service Awards 2010 to 2016)

### Get a Zopa loan to

- ✓ Buy a car
- ✓ Pay off credit cards
- ✓ Make home improvements
- ✓ Help manage your debts

We offer loans for other purposes too. Simply select the reason that applies to you when you fill in our online application form.

» [More about Zopa loans](#)

Source: Zopa



## Endnotes

- 1 Chris Torney, “£1 Billion Lent—What Does It Mean for Zopa and the Wider Industry?” Zopa Blog, August 19, 2015, <http://blog.zopa.com/2015/08/19/1-billion-lent-what-does-it-mean-for-zopa-and-the-wider-industry>.
- 2 Ibid.
- 3 Interview with Zopa management on March 13, 2017.
- 4 Ibid.
- 5 Interview with Gemma Newton on June 21, 2017.
- 6 Email communication with Gemma Newton, July 19, 2017.
- 7 Ibid.
- 8 Interview with Gemma Newton on June 21, 2017.
- 9 Interview with Zopa management on March 13, 2017.
- 10 Zopa, “How Zopa Works,” <https://www.zopa.com/about/how-zopa-works> (accessed June 23, 2017).
- 11 Interview with Gemma Newton on March 13, 2017.