

Bitcoin Goes on a Safari

Introducing the FARI Token

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Summary: In this paper, we propose a complimentary fungible token to bitcoin. A coupon token that facilitates discount purchases using BTC and other cryptos. In several cases, this token increases bitcoin's purchasing up to 10X.

1. Motivations

We seek to accelerate crypto adoption by increasing crypto purchasing power. The immediate goal is bringing couponing to cryptocurrencies in order to unlock their full potential.

2. ELI5 Introduction

ELI5 means "explain it like I'm 5 years old"¹

The coupon is an everyday discount device used in stores, supermarkets and online sites. It makes our lives easier by increasing our purchasing power while improving sales and market discovery for merchants. While price is one component of any sales transaction, a discount figure is typical and desired by many customers. Discounts increase the quantity and velocity of sales.

Since businesses also appreciate discounts when purchasing products and services, a new kind of asset can be introduced: a discount-based token. A currency that gains value from the discounts it offers, pretty much like a coupon. And, if all discounts are tied to the same token, then the utility of the token becomes:

$$U_t = D_1 + D_2 + D_3 + \dots + D_n \text{ or}$$

$$U_t = \sum D_i, \text{ where } i \text{ goes from } 1 \text{ to } n$$

Having a token that tokenizes discounts is equivalent to having a loyalty card or discount coupon for multiple stores, effectively increasing purchasing power across a network of merchants. But without forms, subscriptions, signup fees or privacy issues.

¹ ELI5, Dictionary.com - <https://www.dictionary.com/e/slang/eli5/>

And, since most coupons go from 10 to 90%, purchasing power can be increased up to 10X.

3. How this works

Start with a pool of discounts businesses are interested in, like ad discounts. If our solution is able to offer say a 50% discount on advertising, business can be persuaded to acquire the service and save in the process. However, since the business also issues coupons to its clients, these coupons can be expressed in our very own token. Like this:

$$\textit{Ad Discount} = X \textit{ (50\% or 300K U\$\$)}$$

$$\textit{Business Coupon Discount} = Y \textit{ (20\% or 20 U\$\$)}$$

$$\textit{As long as } X > Y$$

$$\textit{Token Discount} = Y/X,$$

$$\textit{Or 0.0066\% of the total discount accrued by the business.}$$

This means that discounts offered by the business can be translated in real time to a crypto currency that is also offering a discount to the business in the form of ads. This can be visualized as:

$$\textit{Ad Discount} \rightarrow \textit{Business Discount} \rightarrow \textit{Customer Discount} \rightarrow \textit{Token}$$

4. Nominal Valuation and Token Pairing

We name the discount token “FARI” which is short for *Bitcoin goes on a Safari*, an acceleration device for bitcoin adoption. This token has two valuations: market and nominal. Market valuation is similar to other tokens, while nominal valuation is the value of the discount the token offers for advertising purposes.

Finally, token pairing are transactions where two tokens are sent (BTC and FARI). One token covers the purchase price, while the other covers the discount amount. In a token paired purchase something like this happens:

Background

- A customer wants to purchase a book for \$29.95 USD
- The business supports BTC purchases
- The business created a 50% discount coupon for book purchases

Playout

- The customer enters the store, and buys the book using a FARI Wallet
- The wallet trades FARI tokens for the 50% discount coupon in the store
- The wallet sends the FARI tokens + \$14.975 in BTC to the business

Short Term Aftermath

- **The customer saved 50% - the market value of the FARI tokens** in the purchase (in practical situations usually cents)
- The business offered a **no-loss coupon**, since now they can use faris to save 50% on advertising
- The business saved the transaction fees of a FARI purchase
- The business can translate all the cash to USD in minutes (**including the ad credit**)

Long Term Aftermath

- Businesses can increase their patronage with **zero-loss coupons**
- Customers can increase their BTC purchasing power
- Businesses can print real USD by printing FARI coupons
- Businesses can arbitrage coupons and use the difference for financing
- BTC Proof of work is being recycled to print coupons

5. Conclusions

A discount economy can be created to amplify BTC value using chained discount trades and token pairing. The expected aftermath is an acceleration of the crypto economy with multiple gains for each participant.