



RADICAL REWARDS

Rewards Re-invented

Abstract

It's time to throw out the mundane and follow the path of the enlightened

Jannes J.A. Du Plooy CA(SA), MSc in Digital Currency / Blockchain
jannes@duit.life

A Radical Rewards Narrative

Table of Contents

Definitions	2
Objectives of this working documents	3
Background.....	3
Figure 4: Collection and sharing concept depicted.....	0
Figure 5: A depiction of personal data types – picture from Axiom website	0
The Challenge and the Objective	1
Introduction to rewards.....	1
Loyalty and Reward Programmes.....	2
Loyalty programs.....	2
Rewards programs	2
Radical Rewards everyone wants.....	2
What are the objectives of a Radical Rewards Programme?	2
Attributes of the ultimate reward	3
Data Monetization - Engaging the Consumer.....	4
• It is all about data - 1KYC (Hyper Personalisation).....	4
• Monetisation of other personal data.....	4
• Weekly Jackpot - Gamification.....	6
Depiction of the rewards system	6
Figure 1: Rewards program depicted.....	7
Figure 2: Rewards program – the ITO(2).	9
Figure 3: Rewards Program – first step towards a financial service provider(3).....	11
A broad description of the program	12
The basic principles.....	14
Conclusion	15

A Radical Rewards Narrative

Definitions

Initial Token Offerings: An Initial Token Offering involves the issue of tokens to the public to buy at a preferential price before the programme takes effect. Tokens in this documents can subsequently be bought, sold, invested or earned.

Blockchain: A Distributed Ledger Technology

Tokens: A digital representation of the rewards that can be earned, bought, invested, sold and exchanged.

KYC: Know Your Customer better than he knows himself – Hyper Personalisation

Smart Contracts: Coded Contracts (usually on the blockchain) that are automatically executed when triggered by events or conditions.

Oracles: Trusted 3rd parties that feed the system with information that may or may not trigger an event on a smart contract. A collection of Oracles' feeds that corresponds may be required to trigger an event. Oracles can be software, hardware (IoT) or humans.

POPIA Protection of Personal Information Act (South Africa)

CCPA California Consumer Protection Act (California and beyond)

GDPR General Data Protection Regulations (EU and Beyond)

PPDA Protection of Personal Data Act (Singapore)

A Radical Rewards Narrative

Objectives of this working documents

This document aims to explore an alternative way of using the latest technology (Blockchain, cryptography and endlessly divisible tokens) and innovations (Initial Token Offerings) to roll-out a radical rewards program that goes beyond the norm. It requires a substantial change in traditional views and an understanding of what is possible with the technology. The document refers to monetisation / rewards by consumer for their personal data as we see a huge gap and opportunity in the market and already have a platform in place to make this a reality. This will also lead to mass adoption of crypto without consumers even knowing it. *Zero Knowledge Adoption*. **We must note that the rewards programme can be used for any industry or business and can go beyond data only.**

Background

Data Privacy of consumers have been a hot topic of discussion over the past couple of years. Consumers are often very outspoken about their privacy but does very little to protect their own data. Several pieces of legislation have been introduced globally, most notably GDPR (Europe) and CCPA(California). Others include PPDA (Singapore) and POPIA (South Africa). The legislation is all very similar and aims to protect the consumer on various levels that include:

- **Right to Know** what and why information is being collected and kept by these organisations
- **Right to rectification** – if a consumer request a correction it has to be done promptly
- **Consent** and with withdrawal of consent (to collect or sell data)
- **Portability of data** across companies without having to redo all the documents
- **Up to date data** – accurate data requiring companies to continuously verify the data
- **A single view** of the customer across a company with multiple branches and departments
- Proper **controls over emails** as the highest area of risk to breach consumer data
- **Right to be forgotten** – companies must be able to delete all data of a consumer on their request subject to other legislation like “record keeping”

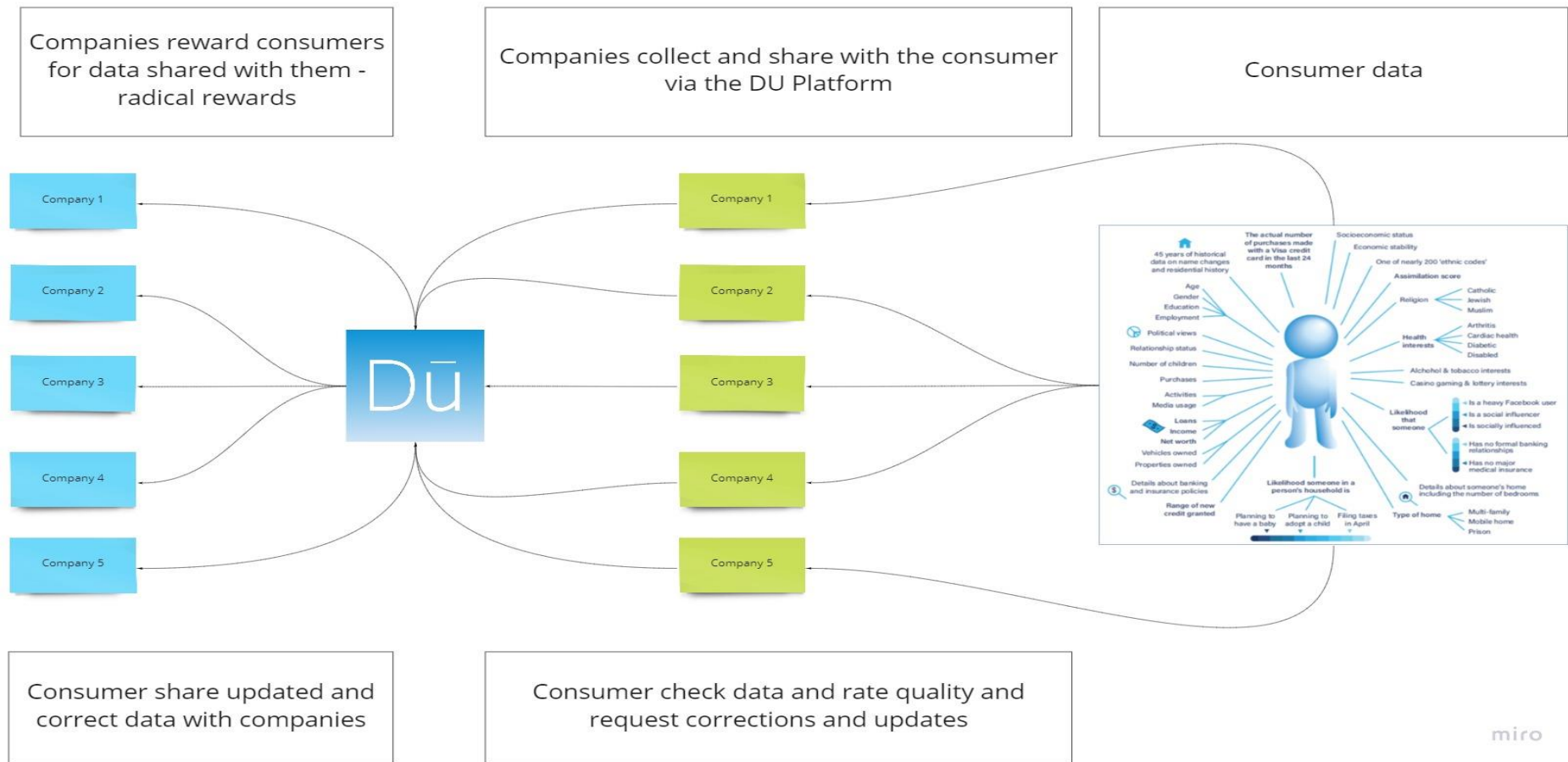
A contravention of these requirements leads to very **severe financial penalties**.

To date, compliance with these requirements have been very difficult to prove or to execute due to legacy systems and the lack of focus on interaction with the consumer on these aspects. Organisations are spending millions on improving their own internal systems and burdening consumers with more requests and red tape blaming legislation for this. **Dū** has a very simple but unique solution for this challenge. **Dū** is placing the “data subject (consumer)” right in the middle of this legislation. We actively involve the consumer by NOT waiting for the consumer to ask for information (in line with

A Radical Rewards Narrative

recent court cases in Europe) but continuously providing them with their information as it is collected and used by each company/government. This is done in a structured format (*not using any emails*) and the consumer decides which companies they deal with and is exclusively linked to these companies via an encrypted token (a unique ID of the consumer with that company i.e. account number) that becomes an address for life (*mobile domicile patent pending*). This methodology effectively puts the onus on the consumer that is now informed to ensure accuracy, request rectification, decide who he/she wants to share with (consent) or give in-app consent for companies to collect and share. Data is portable and immutable on the platform and discloses the source of the data to the receiving company that the consumer share with. There are no emails involved and no phishing or spam. All of this is done via an App (iOS and Android) or web.

www.duit.life



miro

Figure 1: Collection and sharing concept depicted

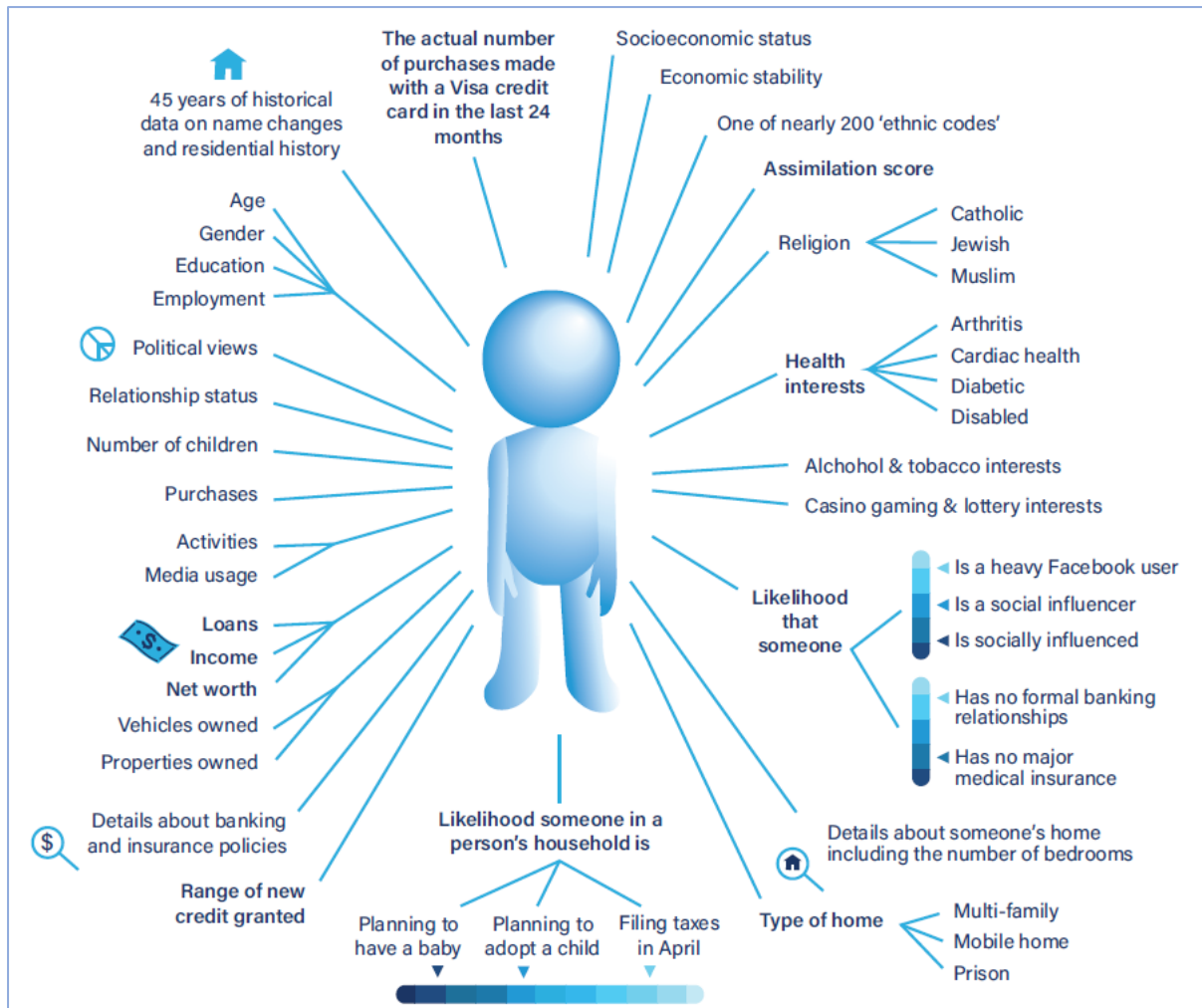


Figure 2: A depiction of personal data types – picture from Acxiom website





According to Acxiom website (<https://www.acxiom.com>) there are more than 3 000 potential data points per consumer.

A Radical Rewards Narrative

The Challenge and the Objective

Consumers are complacent and ignorant towards their own personal data. Personal data is currently a non-income generating asset. As far as we could assert nobody has been able to commercialise/monetise personal data (revenue for the consumer/data subject) on a global scale. At best companies use this data to customise offers to consumers according to their needs which enables targeted marketing and reduced cost to the company. Consumers may get a better service / product recommendation but hardly benefit financially from their own data.

This document aims to:

-  address the personal data monetisation opportunity;
-  address personal data ignorance/complacency by incentivising consumers;
-  creating a fully informed consumer around their own personal data collected and used by companies they deal with enabling them to give or withdraw consent around their data collection and usage; and
-  Enable a consumer to build a complete profile of himself/herself with a trust score that will in future replace traditional credit scores and be used in a decentralised world (*we have a complete business case for this also*)

Introduction to rewards

Across the globe there are 1 000's of rewards / loyalty programs. The current estimation is that a Canadian household of 4 people has on average 9 loyalty cards per person.

*They should be called frequent "spender" **programs** instead. Most of the major **loyalty programs reward** you based on how much revenue you bring to the company. So, unless you're a big-spending business traveller or spend a lot on a credit card, this may not be a game you can win. Points and miles almost always lose value. https://www.washingtonpost.com/lifestyle/travel/unhappy-with-your-travel-loyalty-program-join-the-crowd/2019/09/05/41845258-c9c1-11e9-a1fe-ca46e8d573c0_story.html*

A Radical Rewards Narrative

Loyalty and Reward Programmes

Loyalty programs target customers who devote a significant amount of their time and money to a specific brand at the expense of other options that may be less expensive, more comfortable, or more convenient. Typically, the customer is provided with something he or she can't buy, or with something very different from the usual item being purchased.






Rewards programs target customers who want to earn a credit toward future purchases. Larger transactions receive larger rewards. These rewards may not be in the form of cash back, but they can operate very similarly. Typically, the customer is treated no differently than any other, and the benefit is limited to receiving and redeeming the reward credit. <https://www.travelcodex.com/loyalty-rewards-programs/#::~:~:text=Loyalty%20programs%20target%20customers%20who,more%20comfortable%2C%20or%20more%20convenient.&text=Rewards%20programs%20target%20customers%20who,a%20credit%20toward%20future%20purchases.>

Radical Rewards everyone wants: Consumers (customers and non-customers) actively seeks the reward. Everyone wants it. It is not just a reward; it is an investment that can be traded and used as a medium of exchange for services across multiple merchants. Typically, consumers will become advocates/disciples of the reward and actively promote its wide use and acceptance as a medium of exchange and a store of value. <https://www.jannesduplooy.com/>

What are the objectives of a Radical Rewards Programme?

To achieve the ultimate rewards program, we need to highlight / identify what the end game is of such a program. What do we want to create and achieve and these objectives will drive the way we develop the program?

Listed below is what we believe are the objectives of **a radical rewards programme**:

-  Your Customers must want it;
-  Your Customers must be “disciples” of your program;
-  Consumers that are not customers must want to buy and/or earn it and become customers;
-  Rewards must be tradable (buying and selling, sharing, donating like shares of a company) between all users (therefore indirectly increasing your customer base / access to these future customers),
-  The rewards program must not cost the company money over time;

A Radical Rewards Narrative

- If possible, make money (directly) out of your rewards program – run it as a business (margin/transaction fees on rewards and growth of the value of a token);
- Merchants beyond your own group must want and accept your rewards as payment;
- Merchants must want to join your rewards program (make all their customers rewards programme participants) and you must enable them to join (with margin for yourself);
- Very easy to become a member/user – 1KYC (resell (register with) 1KYC); and
- Use the available data to understand your customer trends, moving closer to your customer.

Attributes of the ultimate reward

To achieve the objectives above we need to analyse the characteristics of these tokens. It is important to have all these attributes in place to drive supply and demand.

Your rewards must be:

- a Store of value (must not lose value like most rewards programmes);
- a Unit of account (people must quote the quantity / value they have in any currency);
- a Medium of exchange (use for trade on a regular basis);
- a Growing investment (be able to “bank/invest” it with capital growth and interest);
- Divisible (the more it is worth the smaller the bits (0,01 vs 0,000000001) that can be issued) – Only issue with backing of participating companies), Fungible, Durable;
- Available in the Open market to trade – market decides what the token is worth,
- Easy to understand (its value must be available in any currency);
- Unique (cannot be counterfeited or double spend);
- Digital only; and
- Fully transparent (where they are and what they are used for).

All of this can be achieved if you look at rewards programmes from a completely different angle. Re-imagine rewards, not predominantly to increase sales of your current offerings, but as a business on its own. Growing the value of the rewards and your return on them through consumer demand and trade of the rewards. The more consumers can do with a reward the more valuable it becomes.

Why not introduce a rewards programme with a captive and growing audience?



A Radical Rewards Narrative

Data Monetization - Engaging the Consumer

Above we have highlighted how we entice the consumer with rewards that has real and tangible value. We must make it personal; we have to entice the consumer to participate by bringing in issues and irritations that are close to them and solve it. We highlight three (we have more) additional “*sub programs*” to encourage continuous engagement of the consumer as anticipated above.

It is all about data - 1KYC (Hyper Personalisation)

A programme like this goes beyond the vanilla loyalty points. You want to be substantially different from everyone else. It is all about individual and collective consumer data, engaging the consumer continuously. The better you know the consumer the better you can transact with the consumer and the more the consumer can do with their data. With a programme like this all consumers will have to go through a KYC process. Just like you log in with google or facebook you can then “*resell*” *register with **1KYC***. KYC generally requires a proof of address and an ID. When a consumer clicks on register / login with **1KYC** participating companies will receive the KYC details or have access to this detail and does not have to go through the entire painful process (for both the customer and company). The company / organisation that initially did the KYC or that provides the confirmed address (i.e. utility bill by a local government or mobile phone company) on a regular basis (ID never changes) will share rewards with the consumer in the process. So, although the consumer oversees his KYC “certificate” he/she cannot change it (just request rectification/updates); just share it with the next company that will have to pay for it with rewards/tokens. Data sources are trusted legally recognised AML/KYC approved sources and the receiver will see these sources and documentation is immutable. 1KYC achieved for life!

Monetisation of other personal data

Global consumer Privacy laws are indicative of what the future will look like. It is going to become more and more difficult to obtain consumer data. With the introduction of the Blockchain, Self-Sovereign Identities and rapid increase in online commerce, businesses have a very good chance of NOT knowing who they are doing business with (**ZeroKnowledgeProof**).

NOW is the time to make the consumer one of your golden sources (oracle) of data to **build Trust**. Actively involve them in your data journey. It starts with the business! Sharing all the consumers’ data with them in a way that they can reuse it and understand why decisions are made about them (this is anticipated by Privacy laws across the globe – GDPR, POPIA, CCPA, PDPA, etc.). The more businesses



A Radical Rewards Narrative

share what they have with the consumer the more it will build a trust relationship with the consumer. The more you share and explain the consequences of their available data, the more the consumer will share data with you to influence the outcomes to benefit them. Providing them with usable data that makes their life easy (e.g. extract all the data to prepare a loan application form with KYC and affordability calculation – preapproved lead is worth a lot to banks etc)

Full transparency between companies and consumers has transformative consequences. It is a matter of give and take and enables compliance with privacy laws:

- The consumer always knows (Right2Know) what information you have of him;
- The consumer now has the “responsibility” to notify you if the data you have is incorrect – ensuring that you always have up to date information – how much is that worth? No update, no rewards;
- The information must be portable between organisations with origin of the source disclosed – who shared it with the consumer – immutable;
- Eliminate the biggest risks of data leaks/breaches– email of personal information and spam eliminated;
- Easy to comply with “*the right to be forgotten*”;
- Have a *single view* of the customer in an organisation with multiple departments;
- Know the source of the information – who collected and shared it with the consumer;
- Enables a bidirectional rating between the customer and the business – ratings directly impact rewards;
- Enables the consumer (in the medium term) to build his own Credit Bureau – a self-sovereign credit bureau; and
- Enables the consumer to **monetise their data** – *what is the value of trustworthy data?*

The questions companies must ask themselves?

- How much does it currently cost me to collect consumer data?
- Is the consumer data I collect accurate and how much does it cost to keep it accurate?
- What additional data do I need and where do I get it?
- What is the value of consumer data directly from the golden source? Rewards
- Can I Trust the data? (source of data is known – can you trust the source? i.e. Other companies)
Rate and Reward



A Radical Rewards Narrative

- How do I ensure a trust relationship with the consumer?
- How do I engage with the consumer on a regular basis?
- Will this reduce my cost of compliance with data privacy? How will I prove compliance to the regulators?
- Can I earn money from the accurate data I share with the consumer (and they on-share)?

A rewards system that enables the consumer to monetise their data and, in the process, assist the company to take more informed decisions around the consumer is in the best interest of both parties. Your rewards system ***becomes personal and actively involve*** the consumer on multiple levels.

■ Weekly Jackpot - Gamification

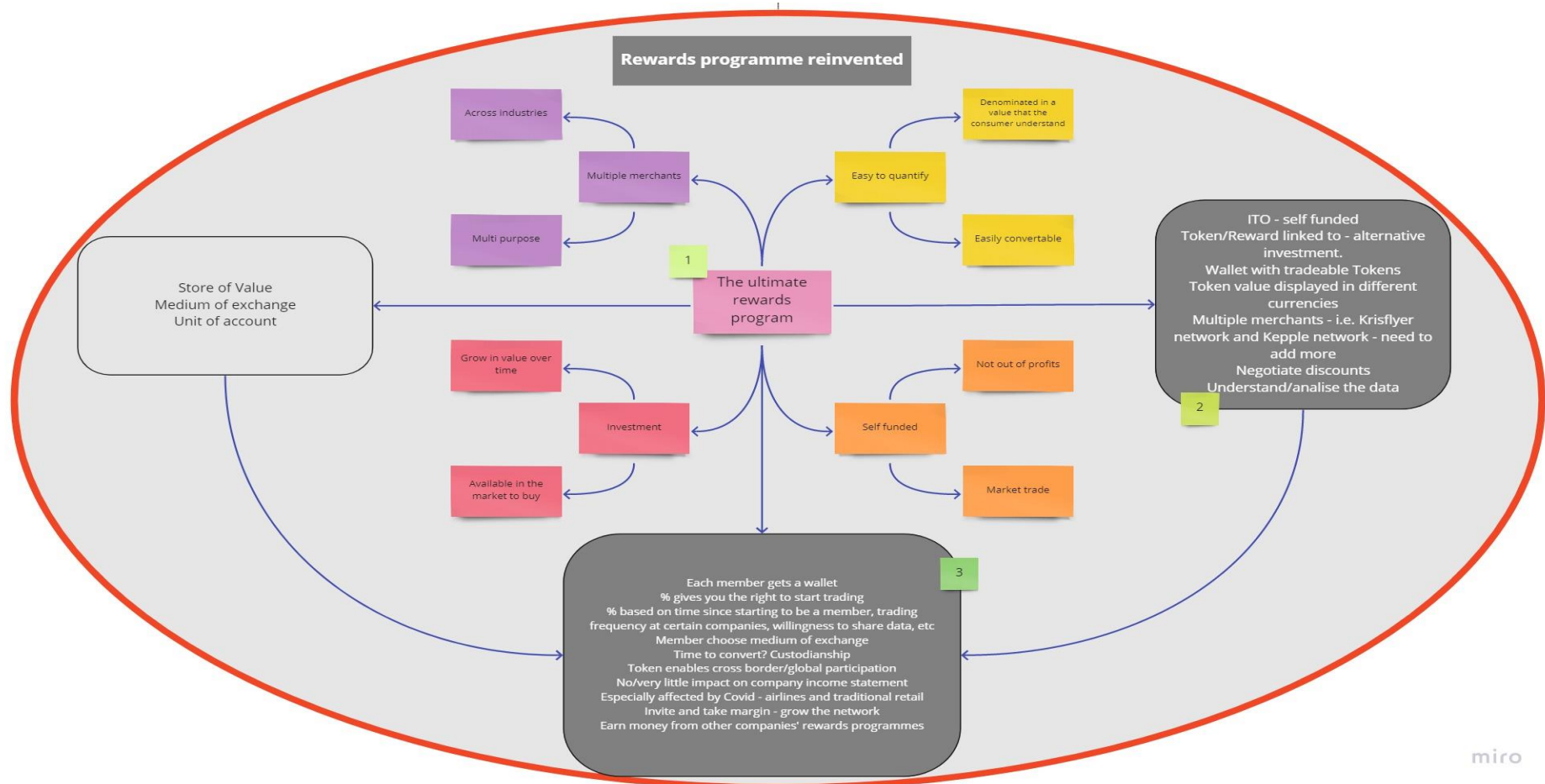
The technology enables the issue / sale of super tokens. Consumers can buy these super tokens weekly (further engagement and price increase of Tokens) – a minimum number of tokens earned to date may entitle a consumer to a free super token(dividend), frequent traders can get the same benefits– options are endless. These super tokens will be subject to a “Draw” where a consumer can get a substantial reward eg. 1-year free electricity, additional investment to his existing rewards invested, additional tokens, free flights for a year etc. Everyone that has participated (and bought the tokens from the company) has funded the prize (through price increase - demand) and can now use their tokens to pay for other goods and services etc; therefore it is NOT a lottery.

Depiction of the rewards system

The next 3 pictures should be looked at on one page, linked with each other. It tries to illustrate all the aspects explained in this document and what the future will hold if the rewards system evolves to a financial services provider.

A Radical Rewards Narrative

Figure 3: Rewards program depicted.





A Radical Rewards Narrative

Notes:

1. Objectives and characteristics of the rewards program
2. Utilising the newest technology that is often not easy for consumers to understand or to access.
The rewards program does not refer to the technology, but consumers can observe their rewards in any value / currency which will lead to immediate adoption.
3. Highlights the basics of the operations of the program. It is essential that multiple merchants are added to increase the value (what can I do with the tokens) of these tokens (supply and demand, utility). Where a large company adopt this program, it will have an immediate base and a growing in value token will increase demand.

A Radical Rewards Narrative

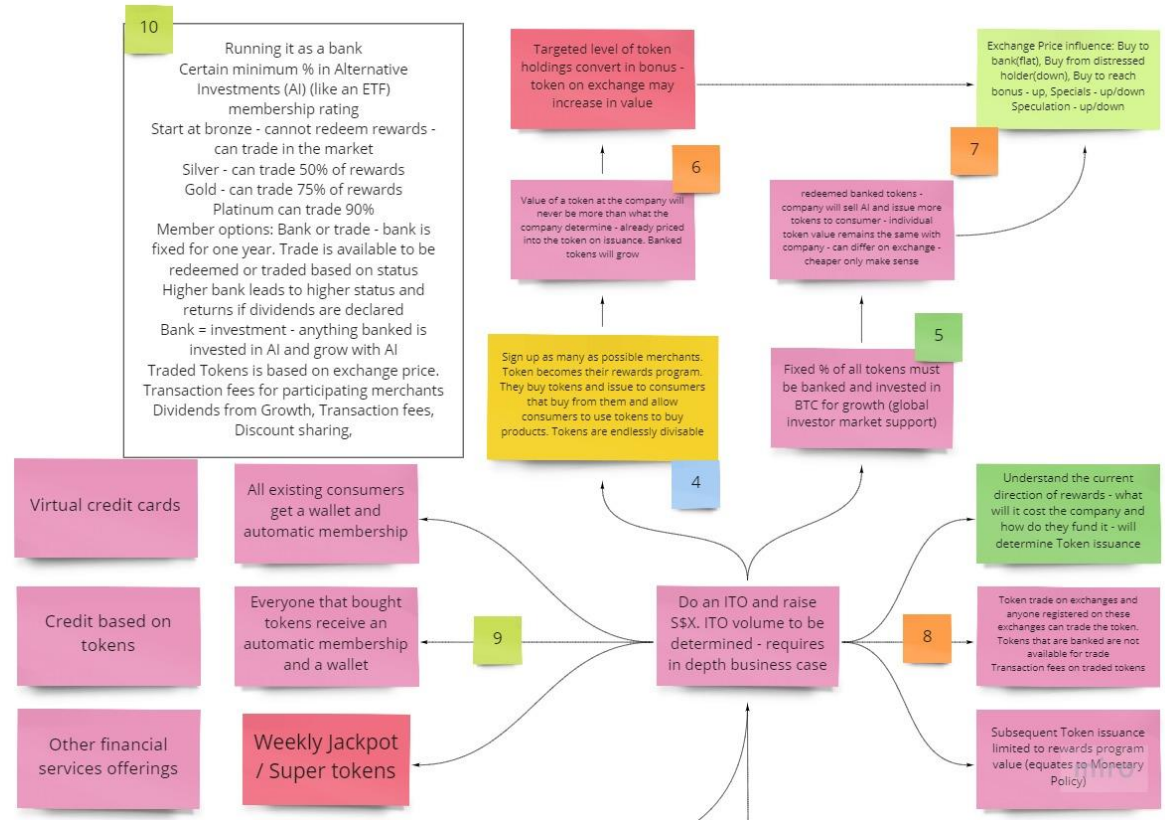


Figure 4: Rewards program – the ITO(2).



A Radical Rewards Narrative

Notes

4. Merchants must be actively approached and signed up to also adopt the rewards program for their customers. The more merchants adopting the program the higher the token value and the better for the consumer and the merchants. Merchants will receive tokens at cost / discount and not exchange value
5. Automatic savings encouraged through rewards conditions (All tokens are linked to BTC/ETH investment). Consumer can see the value in any currency but investment is fixed for an extended period. Part of the rewards will always be in savings.
6. A company contribution is provided for in their balance sheet but as the token value grows rewards will be recovered from taken sales therefore not costing the company money
7. Price of tokens driven by the market. Different actions drive price up or down. Compulsory savings and special programs will increase the price
8. Tokens are traded on exchanges. Anyone globally can buy tokens. Why would they? It enables easy access to a BTC investment which is currently not very easy. An investment that drives growth. Tokens issuance is coded and is dependent on merchant rewards anticipated / projected by merchants.
9. To acquire tokens a consumer will have to go through a KYC process. KYC is rarely reused, and we see it as a huge opportunity to launch 1KYC. A consumer goes through a KYC process once. His/her ID does not change, and updated address data can automatically be added (monthly) by utility providers. A consumer will therefore always have an up to date KYC profile which they can use to register anywhere – register / login with 1KYC – required documents are available and up to date and registration is instant. The company and the consumer are rewarded when the data is used by another company.
10. Highlights the basics of the operations of the program. This is obviously subject to workshops to explore all the different options available with new technology.
11. Technologies that enable this rewards program



A Radical Rewards Narrative

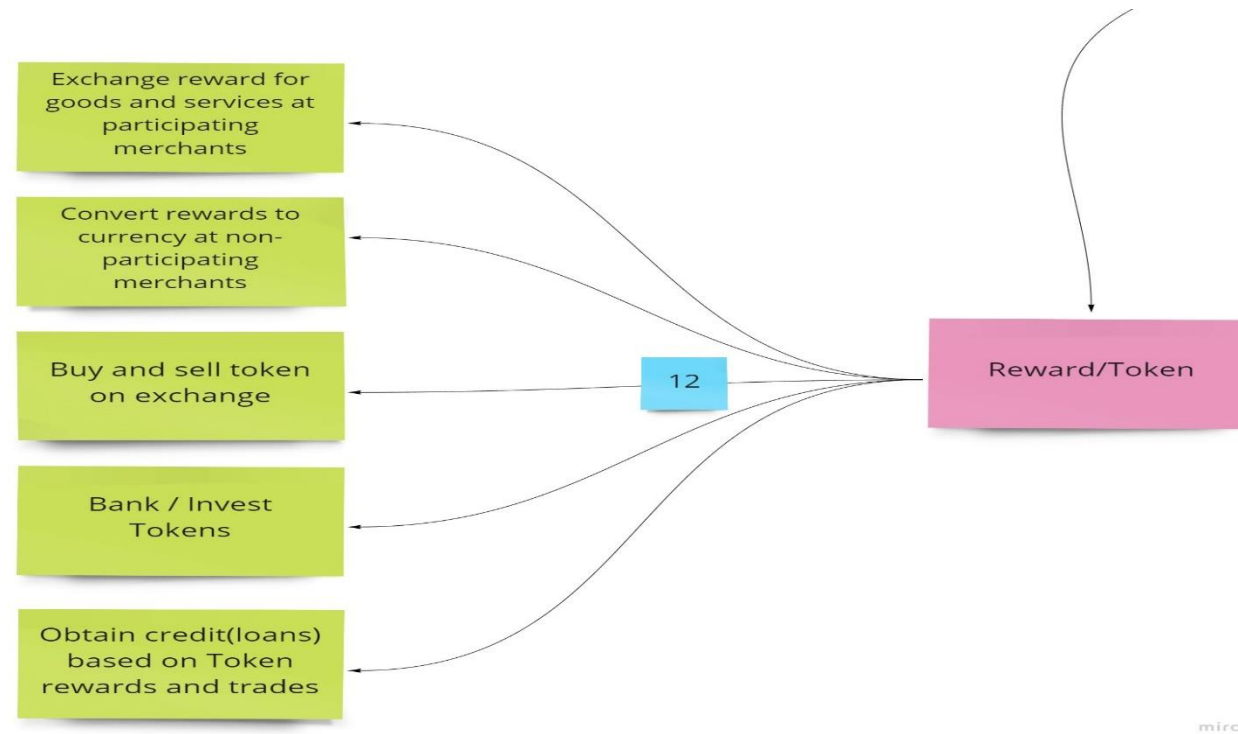


Figure 5: Rewards Program – first step towards a financial service provider(3).

Notes

12. In the medium term the rewards program can become a financial services provider (1KYC, Payment Profile, other personal data, profiling, consent, etc



A Radical Rewards Narrative

A broad description of the program

Step 1: Companies start sharing consumer human intervention required) data with them as and when it is collected. All companies the consumer deal with on one platform – structured per company;

Step 2: Consumer verifies the information and request rectification if this is required

A company can request more data from the consumer, and he/she can just upload to the company via various channels;

Step 3: Consumer rate the quality of the data received from the company – X number of consumer ratings are combined and that influences the rating of the company that will impact on their ability to be rewarded for collecting consumer data and it will be an indication of the company's compliance with GDPR requirements;

Step 4: Consumer then share this data (immutable) with other companies that require this data – an example would be KYC/AML data. The company receiving the data will see the source and can rate the quality of the data received. X number of companies ratings will have an impact on the consumer's trust score. This trust score will (over time) become replace the traditional credit score. The higher the trust score the more the rewards and the easier access a consumer will have to financial services etc. It is envisaged that the consumer will become their own Credit Bureau – a Self-Sovereign Credit Bureau. As data is collected a consumer can select a financial service and we will collate a pre-approved application form with all the legislative requirements – i.e. KYC, Affordability etc.

Step 5: Every action between company and consumer will be rated and translate into rewards or penalties (reduction of rewards and trust score);

Step 6 Rewards will only start to be redeemable/exchangeable once a certain trust score is reached;



A Radical Rewards Narrative

Step 7 Do an ITO and create a “investment” wallet for each ITO buyer. This token represents a certain amount of BTC that cannot be traded – long term Investment that is also linked to the trust score. Each consumer will also have a rewards wallet where daily rewards will accumulate. Consumers will have the option to transfer rewards to their investment account giving the average man on the street BTC exposure without the pain of trading crypto;

Step 8 Other consumers that trade will be able to transfer tokens to their investment wallet where trading will be limited for extended periods i.e. +1 yr;

Step 9 Certain % of rewards will always be in Investment wallet (to allow for penalties). Compulsory % will decrease as trust score increase;

ITO ITO (free trading tokens = not linked to any company rewards program funds) will raise \$X of which 60% will be used in investment wallets. 40% for development and growth. Ideally a first company is already signed up – i.e. Credit Bureau. Due to the investment wallet and spend ability of rewards that are linked to your trust score the first rewards will only be traded after 12 months from launch. The 40% for development will be the only free trading tokens for the first 12 months+. Once consumers start trading tokens from their investment wallets the number of free trading tokens will increase;

Step 10 Tokens issued will be linked to what companies are willing to spend on rewards. Growth in tokens will reduce their liability and they could break even or even make a profit or increase their rewards;

Step 11 As the number of merchants adopt the rewards more tokens are issued and vice versa;

Step 12 The minimum a company has available for rewards will determine the minimum price of the token;

Step 13 Small companies can participate in the rewards program;



A Radical Rewards Narrative

The basic principles

Numbers are for illustrative purposes only:

Activity	Values	Comments
ITO cash raised	\$25 000 000 @ \$1/token	Tokens are endlessly divisible for rewards
ITO funds allocated to investment wallets	60% locked up in BTC for at least 12 months – wrapped financial products	Growth is shared with the company for growth of the business - % tbd
ITO funds allocated to business development	40% of funds raised	
Participating Company	Warrant value of 1 token @ \$1 to members of the company rewards program should the price falls below \$1. Tokens not allocated can be traded on exchange between willing buyer and willing seller (<i>trading value</i>)	Effectively if tokens go over \$1 the company can offer the consumer an amount close to the trading value and take a fee. The consumer can sell the token and use the cash to buy the product. Products should have a better discount if paid with using tokens as there are no defaults or returns (immediate settlement) and the company benefit from NOT having to deal with cash
Investment value	Once a token is transferred to an investment wallet it is sold for BTC and Value locked up in BTC - cash out (BTC liquidated less fees) or receive tokens - BTC converted in token at BTC value less fees	If an Investor wants to cash out (BTC liquidated less fees to the merchant) or receive / exchange for tokens - BTC converted in token at BTC value less fees
Special offers	A certain amount of tokens (not in the investment wallet) can get you a special - this will lead to more demand for tokens and a possible price increase	Specials can be structured in many forms and will lead to far more innovative specials
Jackpot	Super Tokens are (mined) sold in a specific week/period that will result in huge discounts or cash prices (tokens) - this will be either determined by the participating companies OR the number of super tokens sold in that week. Once the jackpot is completed the tokens can be used as normal tokens and sold or used as rewards	Incentives to buy the tokens and drive price increases.



A Radical Rewards Narrative

Conclusion

It is important to note that *loyalty programs* already exist on the blockchain, but it tries and replicate traditional programs with better and continuous settlement rather than to radically disrupt the status quo.

The concept above is an outline of one option of how a rewards system can operate using the newest technology. If one brainstorm a program like this (with technically savvy advisors) the options are endless. We believe that this has the potential to change the rewards industry and personal data collection for ever.