Business models of the future

Martin Schmalzried
Policy and Advocacy Manager
Twitter @COFACE_EU
Business model and the Internet

• See the Nutri-medias website:
  • https://marmadeveloper.wixsite.com/nutrimedias/copy-of-nutri-medias-fr
Business model transparency

- Comparison tools
  - How much money is generated from advertising for the game/app/website? How much time is wasted looking at ads on average per user?
  - How much money do players spend on average on games with a freemium or in-app purchase business model? (the trap of micro-payments) How does it compare to buying a license with all features unlocked?
Blockchain and crypto-assets

Problem with online business models:

- Means of payment are highly centralized. To get access to Visa or Mastercard, a lot of administrative burden.
- Certain services like Paypal make it easier.
- Blockchain and crypto-assets could be a new milestone in enabling the exchange of goods/services and pay for content online.
Smart contracts and blockchain

• What is a “smart contract”?  
  • Autonomous piece of code running online, which executes a certain action if a series of conditions are met.
  • When coupled with blockchain, the execution can be certified, transparent, and not dependent on a third party.
  • They are like a decentralized automated “notary” service, which facilitates the interaction between two or more parties.
Smart contracts and blockchain

- Examples:
  - Decentralized music platform (Musicoin)
  - Pay Per Play
  - [https://musicoin.org/](https://musicoin.org/)
Smart contracts and blockchain

• Examples:
  • Decentralized online sales through OpenBazaar (Alternative to Amazon)
  • Escrow service
  • https://openbazaar.org/
Smart contracts and blockchain

• Examples:
  • Decentralized web hosting (via the Sia project and Siacoin)
  • Managing distributed hosting
  • https://sia.tech/

Files Are Sent To Hosts Using Smart Contracts

Using the Sia blockchain, renters form file contracts with hosts. These contracts set pricing, uptime commitments, and other aspects of the relationship between the renters and the hosts.

File contracts are a type of smart contract. They allow us to create cryptographic service level agreements (SLAs) that are stored on the Sia blockchain.

Since file contracts are automatically enforced by the network, Sia has no need for intermediaries or trusted third parties.
More transparent advertising

Examples:
- Brave browser and BAT (basic attention tokens)
- A way to provide transparent advertising revenue to businesses, remunerate content creators and reward users as well.
- [https://brave.com/](https://brave.com/)
Incentives are very powerful

- Content influenced by the business model
  - Total time spent vs. click baiting
  - Incentives for content curators/moderators
  - Business model for algorithm developers who design tools to sort content
  - Always careful reflection on how a business model works since it has very real effects (argument of the GAFAs for “free” content is digital inclusion!)

“Ted, I think we need to re-evaluate your carrot.”
Get in touch with us!

COFACE Families Europe
Tel: +32 2 511 41 79
Email: mschmalzried@coface-eu.org
Website: www.coface-eu.org

Join us on: Twitter @COFACE_EU
and Facebook /COFACE.EU

COFACE Families Europe is supported by the European Union Programme for Employment and Social Innovation (EaSI)