Money Button: FinTech Case Study

Overview and Origin:

- Company: Money Button

- Launch: September 13, 2018

- Founder: Ryan X. Charles

- Website: www.moneybutton.com

What is Money Button?

Money Button is an application programming interface (API) and user interface (UI) layer for the Bitcoin SV (BSV) blockchain. In layman's terms, Money Button is an easy-to-use UI for spending BSV and processing BSV transactions on websites and apps.

How did the idea for the company come about?

"Ads don't work well for most publishers and they are irritating to end users." wrote Ryan X. Charles, in a post explaining the motivation for launching Money Button. Blockchain technology enables micropayments over the internet which were previously not possible due to the higher cost of credit card transactions to prevent fraud. The idea was that sending payments, specifically micropayments as small as one cent, should be as easy as clicking a Facebook like button. This would be the "money button" of the internet. Originally developed to support bitcoin social network yours.org, Money Button was designed to process tips, a pay wall, paid comments, and a voting model.

Business Activities:

What financial problem is the company trying to solve?

The direct financial problem Money Button strives to solve is micropayments. Micropayments are payments of less than a dollar usually made online. Really, it is the bitcoin protocol that has made micropayments possible and Money Button is making micropayments convenient, fast, and easy to use. As an API and a UI/UX layer for the Bitcoin SV blockchain, Money Button makes using Bitcoin SV as easy to use as possible for both developers and end-users.

Making micropayments over the fintnet seamless and available to end-users opens the door to creating solutions for many of today's internet problems such as clickbait, spam, fake news, and trolling. Tying internet activities to micropayments builds and entirely new economic model for the internet. Publishers would not

have to rely on so many annoying ads and clickbait headlines, meanwhile the people who create, discover and curate good content are economically rewarded. On social media, trolling can be made expensive. Likewise, in email, spamming can be made expensive, targeted marketing will be incentivized to be done better, and important emails can be prioritized. A few case study examples are yours.org, beamail.me, and twetch.app. Money Button is the FinTech solution bringing these active case studies to life.

Who is the company's intended customer and how big is the market?

Money Button's intended customers are the content creators and businesses integrating the Money Button API into their customer facing interfaces and the end-users. While the total addressable market for micropayments is not well defined, total transaction volume of digital payments worldwide is estimated to be $4.8 trillion in 2020 according to Statista. Specifically, digital advertising spend worldwide is estimated to be $385 billion in 2020. The potential for micropayments is to represent a sizable chunk of the digital economy.

What is Money Button's competitive advantage?

The ability to process transactions at extremely low fees compared to major credit card issuers such as Visa and Mastercard or other payment service providers such as Paypal and Square is Money Button's competitive advantage. Credit card minimums or minimum purchase requirements exist because of interchange fees. Merchants absorb this cost which is usually structured as x% of the transaction and/or a fixed rate. The average processing fees for major payment processors range between 1.43% to 3.5% per transaction plus a fixed cost between 10¢ to 22¢.

Bitcoin is a peer-to-peer version of electronic cash where payments can be sent directly from one party to another without going through a financial institution and, a trusted third party is not needed to prevent double spend. Transaction costs are reduced significantly by removing financial intermediaries enabling microtransactions to be sent for fractions of a cent.

Further, the low transaction cost competitive advantage extends to competing blockchains Bitcoin Cash and Bitcoin Core. A set in stone bitcoin protocol which keeps economic incentives in place and an unlimited block size for scaling the number of transactions that can be processed per block (i.e. Bitcoin SV) gives Money Button its unfair advantage. As of April 25, 2020, it is 822.98x more expensive to transact on Bitcoin Cash (BCH) and 3,199.71x more expensive to transact on Bitcoin Core (BTC). The low transaction cost of Bitcoin SV makes Money Button the platform of choice for seamless micropayments.

Which technologies are used by Money Button and how are they implementing them?

Money Button leverages bitcoin's blockchain technology to process peer-to-peer payments. For users to add Money Button to their website or webapp, developers can use HTML, Javascript, or React versions of Money Button. React is used throughout the main Money Button app and every other app built by Money Button.

Landscape:

Money Button is part of the Payments & Remittances FinTech domain. Apple Pay and Android Pay have led the trend in mobile payment at the point of sale. Meanwhile, Square is a leader on the merchants side of point of sale transactions. A trend of successful payment companies has been to also issue credit cards e.g. Apple Card and PayPal Credit. Venmo, Zelle, and Cash App are the technologies that most closely resemble peer-to-peer cash transactions and currently dominate the peer-to-peer payments domain. Ripple is a payment

protocol with a native cryptocurrency known as XRP. XRP is the third largest cryptocurrency by market capitalization. Ripple purports to enable secure, instant, and nearly free global financial transactions.

Major companies in the payments domain are:

- Apple Pay
- Android Pay
- Cash App (Square Inc.)
- Mastercard
- Paypal (Venmo)
- Ripple
- Visa
- Zelle

BSV competitors include:

- Centbee
- ElectrumSV
- HandCash
- RelayX

Results

What has been the business impact of Money Button so far?

Websites and webapps have started using Money Button to create projects and build businesses on the BSV blockchain. Many mimic well know businesses today:

- Twetch is like Twitter but powered by Money Button enabling users to earn BSV from engagements of their posts

- Fivebucks, similar to Fiverr, allows anyone to monetize their work for five bucks

- Baemail works just like email except either the message itself or a hash of the content is put on the blockchain

- Bitstagram, just like Instagram, is a photo sharing app powered by Money Button

One of Money Button's top priorities is to build a Money Button discovery page with a live list of websites and apps using Money Button. Meanwhile there are no other publicly available metrics for tracking the performance of Money Button.

How is Money Button performing relative to competitors in the same domain?

Money Button is considered "one of the leaders in very low fee, ultra-fast microtransactions" according to CoinGeek.

Recommendations

I would recommend Money Button create a mobile wallet app. The app should be similar to Venmo. Offering this product would broaden the reach and increase usage of Money Button. BSV wallet app competitors exist such as HandCash and Centbee. I believe having this app offering would make Money Button an all-in-one go-to source for holding and sending BSV.

Resources

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[2] https://www.yours.org/content/the-money-button-of-the-internet-0d95ce467da6

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