# GEMA WHITEPAPER

GEMA

YOU MATTER
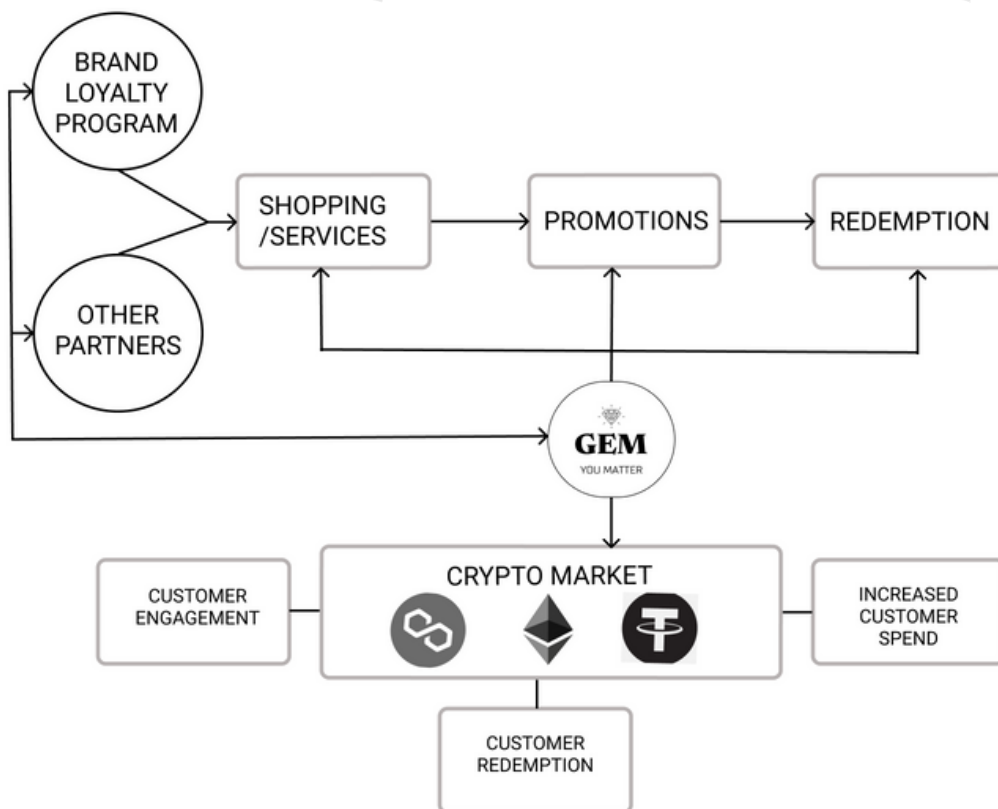
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# WHAT IS GEMA

GEMA is a blockchain solution that helps brands create, issue and manage loyalty tokens in the form of fiat-backed tokens .



To help companies and businesses introduce blockchain in their loyalty programs, GEMA will provide a platform where brands will issue stable loyalty tokens where all participants of the loyalty program will interact with the system without compromising competitiveness and privacy.

# WHY GEMA

57% of consumers spend more on brands to which they are loyal. And a recent study from Bain and Company suggests that a 5% increase in customer retention correlates with at least a 25% increase in profit.

Customer loyalty programs are not realizing their full potential due to low client retention and redemption rates, time delays, and high costs. Customer loyalty and engagement can make or break companies, and as such, loyalty reward programs represent strategic investments for all types of organizations.

The average adult has enrolled in 3-5 loyalty program subscriptions. These points are always hard to value and sometimes are forgotten back in the card or store just because of the value being invisible. A general lack of adequate digitization across programs precludes interlinking many programs, and is a primary cause for loyalty reward programs' not realizing full potential between reward points being made available in a manner that affords customers opportune moments to use them.

# WHY GEMA

Through tokenization using fiat-backed tokens, all participants benefit from the substantial improvements that the digitisation of loyalty programs offers. These benefits include the instantaneous and secure creation, redemption and exchange of loyalty reward points across programs, merchants and industries. Through secure and transparent transactions, GEMA reduces system management costs associated with bookkeeping, errors and fraud. Moreover, customers will be able to use their tokens more readily and quickly among a wider range of products and services and increase redemption and engagement. Through cost savings, the collection and gathering of data and the resulting different dynamics between loyalty program participants, this creates a more valuable loyalty program ecosystem for all participants involved. Lastly, GEMA aims to promote  not only crypto scalability but also blockchain solutions in the modern industry.

# HOW IT WORKS

GEMA's blockchain model involves :

The GEMA Blockchain:
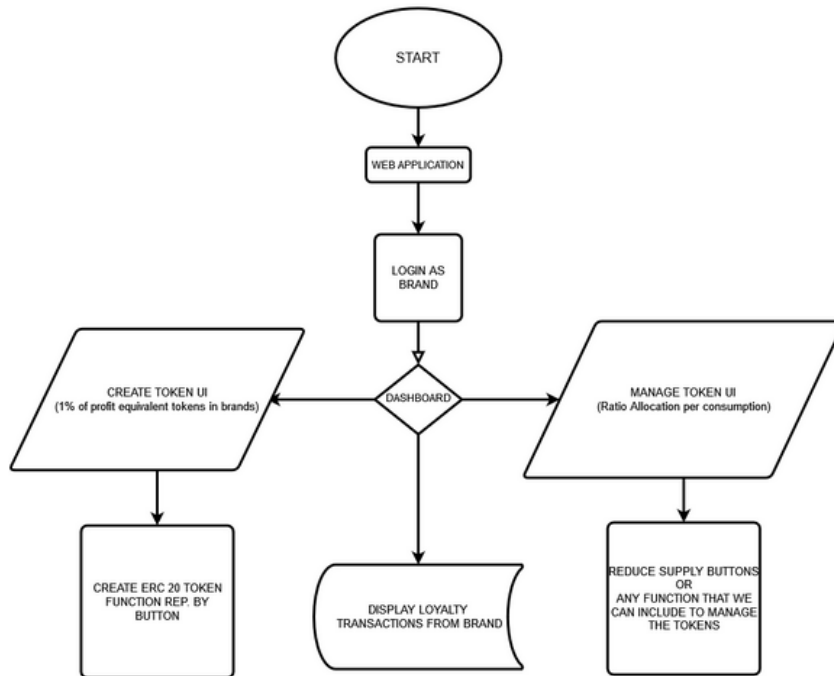 -Different blockchains (where the loyalty tokens will be
    issued).
-Smart contracts (defining how each brand/protocol will issue
their rewards per transaction or in  a loyalty campaign and
also how the GEMA protocol will work) .

A GEMA Mobile app/Web App where users are able to send,
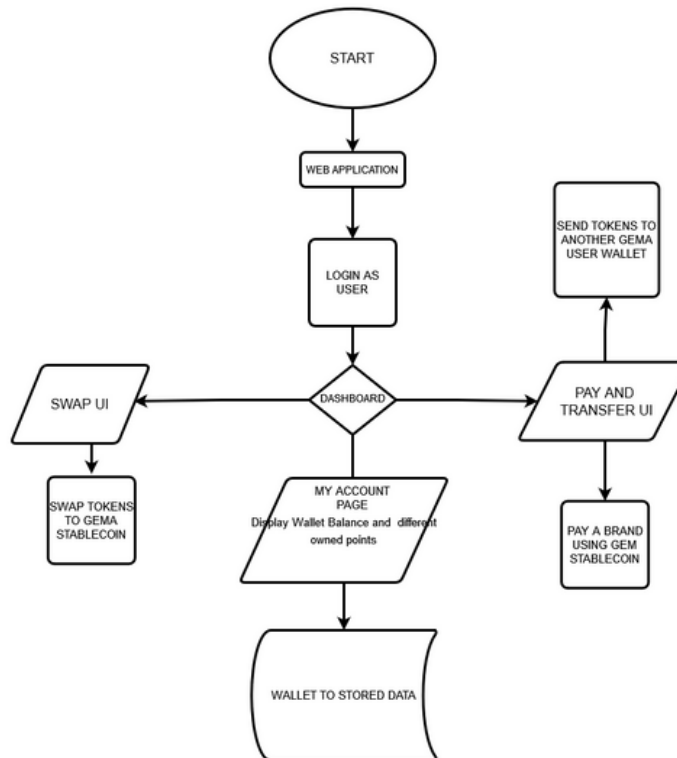 receive, view and redeem their loyalty tokens.

# HOW IT WORKS (MODEL)

## BRAND

```
                          ┌─────────┐
                          │  START  │
                          └────┬────┘
                               │
                        ┌──────┴──────┐
                        │ WEB APPLICATION │
                        └──────┬──────┘
                               │
                          ┌────┴────┐
                          │ LOGIN AS │
                          │  BRAND   │
                          └────┬────┘
                               │
                           ◇ DASHBOARD ◇
```

CREATE TOKEN UI
(1% of profit equivalent tokens in brands)

DASHBOARD

MANAGE TOKEN UI
(Ratio Allocation per consumption)

CREATE ERC 20 TOKEN
FUNCTION REP. BY
BUTTON

DISPLAY LOYALTY
TRANSACTIONS FROM BRAND

REDUCE SUPPLY BUTTONS
OR
ANY FUNCTION THAT WE
CAN INCLUDE TO MANAGE
THE TOKENS

## USER

START

WEB APPLICATION

LOGIN AS
USER

DASHBOARD

SEND TOKENS TO
ANOTHER GEMA
USER WALLET

SWAP UI

PAY AND
TRANSFER UI

SWAP TOKENS
TO GEMA
STABLECOIN

MY ACCOUNT
PAGE
Display Wallet Balance and different
owned points

PAY A BRAND
USING GEM
STABLECOIN

WALLET TO STORED DATA

# HOW IT WORKS

## GEMA BLOCKCHAIN

The GEMA Blockchain will launch on the NEAR Protocol and will link with the different blockchains where the companies' tokens will reside. The blockchain will issue loyalty tokens which will be equivalent to a certain fiat value, to the brands which will be launched on network  and through an oracle communication, each time a verified transaction occurs, the tokens are sent to the users wallet.

The NEAR Protocol emerged as the leading platform solution for their scaling and infrastructure development and their support through infrastructure support, technical assistance, analytics support, market support, communities, low fees and security are one of the reasons we consider building on them.

# HOW IT WORKS

## LOYALTY STABLETOKENS

A useful currency should be a medium of exchange, a unit of account, and a store of value. Cryptocurrencies excel at the first, but as a store of value or unit of account, they're not as valid. You cannot be an effective store of value if your price fluctuates by 20% on a normal day. This is where the loyalty stable tokens come in because they are fiat-backed cryptocurrencies, meaning the market price of the stabletoken will be equivalent to another stable asset, like the US dollar or the Kenyan Shilling.

The loyalty tokens will be diversified in that the consumer will have the capabilities of sending and receiving from consumer to consumer and redeeming the tokens for products and services on our platform.

# HOW IT WORKS

## GEMA  EXCHANGE AND WALLET

GEMA offers interoperability of tokens for  different use cases  hence an exchange is necessary for this kind of transactions. We  will  use  the  NEAR  Protocol(  eg.  Appchains)  for  these transactions  and  also  a  NEAR  based  wallet  for  such  kind  of  asset transactions.

Through our GEMA wallet design, users will be able to create a wallet for their tokens and the businesses too, will be able to have  wallet  creation  and  allocation  privileges  to  their customers.  We  aim  to  implement  client  side  operations  for wallet creation and private key information which means that the generation process is executed on their desktop computer or mobile device linked to their mobile numbers, not on our or other  external  servers.  This  will  be  one  of  our  best  security practices in ownership of personal data.

# ROAD AHEAD

Since our main objective is creating value to the producer, by helping them run their loyalty programs and to the consumer by providing ownership and control over their own tokens/points. By doing this, we will maintain our brand from the service fees such subscriptions by brands, transaction fees for rewards in the platform.
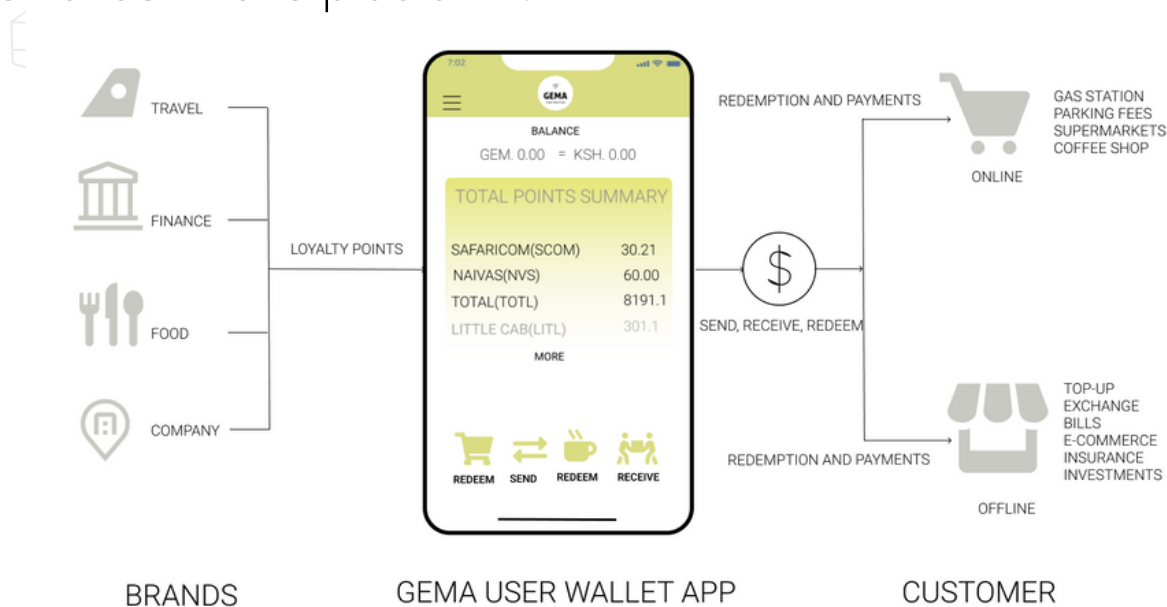


We are working to partner with strategists around brands to work with them on onboarding brands onto GEMA and also creating a scalable solution for loyalty and rewards programs. The GEM tokens are also planned to be listed on exchanges.

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*We thank you for taking your time to know more about us!*