

Goodbye Ethereum: Kik Plans to Move Its ICO Tokens to Stellar



NEWS

Mobile messaging startup Kik is planning to shift its Kin token network from ethereum to Stellar, CEO Ted Livingston confirmed on Wednesday.

Speaking in a live question-and-answer session on YouTube, the company's founder argued that ethereum's blockchain – which the app is presently based on – is unable to scale to the level that Kin needs, among other issues. The answer, he said, is to shift to the Stellar network, first unveiled in 2014 and created by Ripple cofounder Jed McCaleb.

Livingston went as far as to blast ethereum as "the dial-up era of blockchain," noting that gas prices – which are needed to execute computations – and other transaction fees need to be built into the app to ensure users' transactions go through. Kik first announced it was contemplating a move onto another blockchain in October, stating that ethereum's scaling issues meant it "might not be the right solution" at the time.

In Wednesday's video, Livingston said Kin was pushing the limits of what ethereum could handle with its roughly 10,000 users. The network's reliability is another factor in the planned move, he said, pointing to recent network congestion as a result of the popular CryptoKitties app.

Livingston explained in the video:

"Stellar was built by the guys at Ripple and the thing we like about it is it's custom-built for an application like Kin. It's not like ethereum where it's trying to be everything to everybody, and that makes it general-purpose and slow."

Over the next few weeks, Kik will test Stellar's scalability and reliability, according to Livingston.

"It's very focused on what it's trying to solve for: fast, reliable and inexpensive transactions for a lot of people," he said.

A Kik spokesperson told CoinDesk that a limited number of users would begin using the app by the end of December, which represents somewhat of a delay due to the CryptoKitties congestion.

Assuming the tests are successful, Livingston said he foresees a second-quarter rollout of the app, built on Stellar, to all users.

Brady Dale contributed reporting.

Disclosure: CoinDesk is a subsidiary of Digital Currency Group, which has an ownership stake in Ripple.

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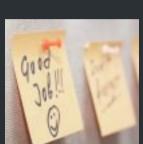
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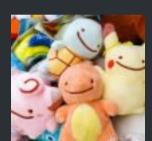
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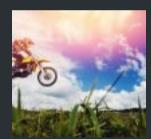
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