

How can credibility be established among contributors on Reddit as it relates to marketing efforts of new wallets or exchanges?

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Abstract: It is only an opinion to believe that the majority of people do not understand the concept of banking, but it should be respectively considered that all banks are most likely broke due to fractional reserve banking. This makes it likely that banks lend money that they don't actually have, considering the quantitative easing program announced on March 15, 2020, to backstop the U.S. economy against COVID-19. It is only factual that banks' centralization is the main cause of their weakness considering their practices in increasing the money supply. Just by acknowledging how the private banking system is given a good deal of control over the money supply, through increased lending this forms a large hole that can tear up any economy in a crisis.

I. Introduction

Understanding a plethora of global banking fundamentals could make cryptocurrency more appealing although that is not the subject of the topic, its supply can't just be increased by any form of lending. Rather, this notion makes it evident that it is only an opinion to believe that Bitcoin is a bubble, or should we say pyramid scheme. This makes it likely that it could or could not be the future of currency in the modern world. But how could it be the future currency of the modern world when it's factual that Warren Buffet believes otherwise? As it remains one of the most controversial fiscal possessions many people not only want to come to an understanding of how it works, but more importantly be able to verify the credibility of contributors who market crypto wallets. How is it possible to store your Bitcoin safely? Which type of wallet should be used? Are

cryptocurrency exchanges on Reddit trying to take advantage of other users? All of these questions can be answered by firstly understanding of how Reddit and its users operate.

It is very important to understand the difference between quantity and quality when it comes to any information on Reddit. According to *Marketer Legitimacy in Participatory Media Lillqvist, E., Moisander, J., & Firat, A. (2015)* most people on Reddit are motivated by their own interest and have low regard towards consumer marketing. Studies show that marketers find ways to bring in customers through new tactics on social media, which makes Reddit a more advanced space with intricate detail and nature to pay attention to. Evidently, marketers' legitimization is based on 3 key grounds. The first being object-related which is based on the quality of the relevance and whether it's convenient to the consumer/customer. The second

being subject-related, which relates to how acceptable a marketer's behavior is when it comes to their values, for example honesty, selflessness, and respectfulness. The third key being based on equal standing, participation, and common ground. Furthermore, influential comments matter in that they affect other comments in online communication when it comes to how similar a topic is. Researchers from *Understanding Influential Comments in Online Conversations* Kang, J., Choi, D., Park, E., & Han, J. (2018) provide that not much is known about how specific comments affect other user's responses in an online conversation. Several studies investigate how people communicate with each other on Reddit, and show that a small number of users mainly generate the majority of the viral conversations that occur. It is important to understand that a user in a conversation may follow a few comments opinions which may distort or manipulate public opinion in a way that it should or shouldn't be. While influential comments substantially contribute to the total size of the conversation and are most likely going to have influential roles, earlier comments are still very influential and affect the descendant comments heavily. Additionally, if greater age happens to be correlated with greater educational capacity and social development, then someone could expect to see an increase in complexity concurrent with advanced age. When it comes to the karma system, users with higher karma tend to write longer posts with a greater number of utterances than those with less karma. So when looking at a post, it makes sense to see users with higher karma scores writing longer comments. As for the user type, the higher interest the more important role they have on other comments which leads to increased

virality, although this does not mean that information is still credible. It should be known that if one comes across sarcasm its primary function is just to mimic the wording of someone they could possibly disagree with, in a dialogue.

II. Methods

Data was specifically analyzed from subreddits related to the marketing of wallets and exchanges of cryptocurrency as well as questions by users to answer our research question. Reddit is a website that has multiple communities focused on content from other websites and resides as a platform for people to have dialogue within one another. Each sub-reddit is a category of Reddit which includes the community and user accounts which are pseudonymous but moderated with a basic karma system. Where voters can vote up and down influencing what is viewed, a type of marketing can be executed by sponsoring posts and using traditional advertising. The last two examples contributors came from comments of the posts. In order to find the final example the keyword "wallet" was searched limited to r/Bitcoin with the intention to find the most viral post. However, for this research the focus leans more towards non sponsored posts that contain contribution rather than virality.

III. Results

On r/Cryptonews, the first post chosen titled "*Binance Partnership With Bitpay Will Enable Americans Spend BUSD via Bitpay Card*" links to a website that spoke about 4 main things being Binance, Bitpay, (BUSD), and Bitpay Card. Bitpay is a block chain payment solution better known as a payment service provider that

provides processing for merchants. Binance is a crypto exchange that allows for various trading of cryptocurrency. While (BUSD) is a regulated stable coin backed by U.S. dollars, it is complemented by Bitpay card which is a crypto-debit card which enables users to use their bitcoin reserves to make payments where ever major cards are accepted. It should be known that the sub-reddit post introduces the user to a link of a corresponding article which explains how Bitpay has partnered with Binance to allow its merchants to store and pay using (BUSD). They regard on Twitter that their partnership will “drive crypto adoption”, allowing (BUSD) to be a stable-coin on Bitpay sitting right next to other major cryptocurrencies. Adding that Bitpay has over 2 million users globally, whereas Binance has around 15 million plus. They claim that the partnership is strategic and will allow merchants and users in the Bitpay system to have more versatility in their spending. Generally quoted from the article, the Bitpay CEO “sees the partnership as an initiative to leverage on Binance’s influence in the crypto space to offer better blockchain payments to customers”. The article is then wrapped up by a statement from the CEO of Bitpay, which shows that the whole article is a common reiterated version of his statement.

Continuing on r/Cryptonews, another post chosen titled “*Crypto Industry Donates Big to Fight COVID-19*” links to an article which speaks about 4 main things being Binance, the Stellar Foundation, UNICEF France and (XLM). The Stellar Foundation is a non-profit organization that supports the development of the Stellar network, where they seek to unlock the world’s economic potential by opening markets and making money more fluid. Stellar has

a cryptocurrency called lumens denoted by the symbol (XLM). The article introduces the most controversial trend in the same month of the articles posting being the Corona Virus. Proceeding to entice the reader about the virus’ tenacity, it adds that “The cryptocurrency industry is not too far behind when it comes to donations”. According to Twitter, Binance’s CEO donated \$1.5 million for victims in Wuhan, aiming to raise \$5 million. It is pointed out that funds were donated for medical supplies including copious amounts of testing kits, gloves, bottles of hand sanitizer, and oxygen concentrators. The article continues to project about the XLM foundation (powered by Stellar) which launched to match donations with UNICEF France, aiming to “change the world”. Abruptly specifying other partnerships with Brave, Gemini, and Axiom not explaining what they are but including their pledging of \$500,000 in crypto. Also adding interest to BitMEX which is explained as “a popular derivatives index” by including their donations of \$2.5 million. Conclusively, the article ends with a “quite apparent” notion that the crypto industry is unifying against the fight with these donations, adding that it is “one of the biggest contributors to the cause”.

On r/Bitcoin a post titled “buying bitcoin and what’s the best crypto wallet?” simply asks a question to all users who view that subreddit. The questioner states vaguely that they bought bitcoin using “3 platforms” and started with Coinbase (Crypto exchange) asking if it is a “good thing” and whether to only use one app (application pertaining to the exchange). After analysis, in 11 days the post attracted 33 total comments including responses to other comments, 12 being standalone

comments in responses to the post. The first commenter stated that they use Green wallet adding that they wouldn't use any other wallet. Out of the 3 responses to that first comment not including the first commenter, 33% of the comments following this comment generally agree, 66% question what Green wallet is, with one of the questioners having 50,000+ karma. The first commenter supporting the use of Green wallet responded to the commenter with 50,000+ karma in a compact and informative way explaining the wallets availability, then after receiving a thank you they responded again with a YouTube video about the wallet. Out of the 12 standalone comments that responded to the main post, 5 suggested using digital wallets with very little information as to why except for their use of low fees. 2 ask questions to the original post also seeking help, and 5 suggest hardware wallets. Out of the 5 that suggest hardware wallets, 4 further explain why it's better, one user highlights "Mobile wallets and Desktop wallets are all vulnerable to attack, the best wallet is a hardware wallet that is much more difficult to compromise but they cost money". Followed by this idea they list 6 types of hardware wallets with their prices, elements, promotional codes, and whether or not they are open source. Let it be known that the user who made this post had 19,000+ karma. Although these may or may not be direct marketing practices, the wallets that serve more benefits have further explanation and increased relevance seeming more attractive than those proposed in a vague manner. It should be acknowledged that the responses including digital wallets had more comments and interactions than the ones about hardware wallets.

Out of 26 posts on the first page of the search sorted by relevance, the post with the most comments was titled "Just got this in today, my first cold wallet" with 485 comments and 1692 up votes. This post featured a picture of a Ledger Nano S, a brand new hardware wallet sealed in the box. Since there were many comments, the most efficient way of analysis was to skim a majority and view the types of implications responding users had. The majority of the connotation was positive in that the whole post acted like a support group. Two definitions of support existed, one that helps the individual's cause and one that rooted for the individuals cause. There were many people cheering on to the fact that this user acquired a hardware wallet for their cryptocurrency needs, one user responded saying "Welcome to the club!" followed by a smiling emoji. However other support methods were based on in depth detail of extra capabilities and security measures for the Ledger Nano S. It is very unlikely that the amount of virality attracted in this post was artificial (botted fake users) as many users responding had high amounts of karma. Although it seems like *Ledger* the company of the hardware wallet did not play any part in marketing their product at face value for this specific post, their behavior as a whole most likely was the reason for virality. This doesn't mean that virality commonly equates to credibility, however values of honesty and quality of relevance do equate to legitimation in this case when it comes to the product. In fact, it can be seen that the values of this company translate to a natural essence of word-of-mouth marketing setting the tone for many users, which truly reflects the credibility of the wallet.

IV. Analysis

Relevance's integration in all examples convince the user how credible a crypto wallet can be even if its security levels are unknown. Binance in this instance has cons and isn't as secure as a hardware wallet but still certainly gets the job done. The articles are similarly focused on bringing out the positive light on Binance despite their negatives by introducing their contributions which surpass the user's need to acknowledge the negatives. In both cases face value marketing exists, portraying the mass donations Binance has done to help society, ultimately placing a crypto exchange company next to *UNICEF France*.

V. Discussion

Although on Twitter the CEO of Binance sees the initiative of donating to better blockchain payments to customers, in the case that these payments did not get better for customers the original motive of publicizing the partnership would still bring a large benefit to the business. In fact since Binance's structure revolves around their digital wallet medium, attention should be paid to the

fact that their methods could be the only thing they can do to shed positive light on their business regardless of their credibility. As for the final two examples credibility is integrated in a different manner. In the third example due to the questions vague nature it had low interest being based off of either hardware wallets or digital wallets and not specifically one. As earlier comments sure are influential it doesn't mean that they are credible, and it's more important to distinguish whether the quality of the information is convenient to the user. In this case hardware wallets would be a better answer as it provides everything a digital wallet does with the added security, however this does not negate the credibility that digital wallets have such as Binance. It was found that the abundance of quality information showed increased credibility in a product that fit the user's needs. Also, it was also found that mass advertising and face value marketing could increase a wallets credibility, but was not necessary to deem it credible. When looking at a wallet or exchange the promotion aspect should be the last thing looked at, with the attention to detail on the specifications first before anything.

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