

LINKBIT

A DECENTRALIZED COMMUNITY
TOKEN

VERSION 1.0

Shinji Fukuyama

January 2021

Contents

1	Abstract	2
2	Introduction	2
3	Tokenomics of LinkBit	3
3.1	Limited Supply	3
3.2	Decentralization and Fair Distribution	3
3.3	Use case at release	4
4	Community	5
4.1	Memes	5
5	Possible Use Cases for the Future	5
6	Conclusion	6

1 Abstract

English: The LinkBit Token (TLB) is a proof of concept cryptocurrency. It will be used to show off, that it isn't necessary for a token to have any special properties or intrinsic valuable properties whatsoever to be valuable. Therefore, the value of the token will be decided only by the token holders / community alone.

LinkBit is an ERC20-Token, which will be created by using some copy-and-paste code found randomly on the internet. The number of available tokens will be limited to 1000000 (one million), and can only be sent, bought and sold by increments of 1.

Russian: Missing

Spanish: Missing

German: Missing

French: Missing

Japanese: Missing

Chinese: Missing

Arabic: Missing

2 Introduction

With cryptocurrencies reaching an all time high in market cap, it seems to be reasonable to ask what use cases cryptocurrencies actual have and what solutions they try to offer. The Chainlink network by Sergey Nazarov and Steve Ellis for example will be used to incentivize a decentralized oracle network as a way to provide reliable data to smart contracts [1]. The LINK token is then used to pay node operators for the retrieval of data from off-chain data feeds [1]. By doing so, Chainlink combines the world of blockchain economy, tokenomics and real world use cases. On the other hand, most cryptocurrencies fail to bring any real world use cases and should therefore have no value whatsoever. For example, the token yearn.finance, or YFI by founder Andre Cronje had zero value, as described by the founder himself, but still manages to be in the Top 50 cryptocurrencies by market value [2, 3]. Therefore, many cryptocurrencies simply work as a pyramid scheme or ponzi, where useless tokens are given away for free or for very cheap, and are later on bought by other people without a meaningful reason.

LinkBit is a proof of concept currency, to show off, that any cryptocurrency will get a value, even if the token doesn't provide any real benefit. LinkBits only features are, that the cryptocurrency is limited in supply and that it has a somewhat nice name.

The contract was created on the 20. January 2021:

Contract Address: 0xef3acf7c52095655ad50f388b352a438ac31f508

The etherscan.io page can be used for further information:

<https://etherscan.io/token/0xef3acf7c52095655ad50f388b352a438ac31f508>

3 Tokenomics of LinkBit

A survey by the Financial Conduct Authority UK has shown, that only 8% of all cryptocurrency owners completed deep research before purchasing and that 16% of buyers haven't done any research before purchasing [5]. Therefore it seems to make sense, that a cryptocurrency which lives simply by its name will be bought, even if nothing of value is offered. The following aspects will however provide some basic attributes to enable a successful start.

3.1 Limited Supply

The price of any single token can be valued higher than 100 or 1000 \$, as long as there is a limited supply, proven by yearn.finance YFI, ThoreCoin THR, and many others. Therefore, the amount of available tokens will be set to be lower of the amount of possible available Bitcoins, to provide the feeling of rarity. Following the economic theory of the scarcity principle, a limited supply of the tokens with a high enough demand should provide a high price for this token.

3.2 Decentralization and Fair Distribution

A free Airdrop of 20% of LinkBits total supply will be offered to anyone, who wishes to participate. However, to make sure that the Airdrop isn't abused by persons with multiple addresses, anyone who wishes to participate has to own at least 50 LINK tokens. The LinkBit token will be sent at a set day and only to those addresses, which meet the mentioned condition. The more LINK tokens participants have, the more LinkBit tokens they will receive.

For example: A total number of 60 Wallets will be included in the Airdrop, with a total amount of 20000 Link. Wallet A includes an amount of 500 LINK. That means, that Wallet A will receive the following amount of LinkBit (TLB):

$$\begin{aligned} \text{TLB} &= 20 \% \cdot \text{Total Amount of LinkBit} \cdot \frac{\text{Owned LINK tokens}}{\text{Total amount of LINK tokens}} \\ &= 0,2 \cdot 1000000 \cdot \frac{500}{20000} = 5000 \end{aligned}$$

The mentioned condition was chosen since the Chainlink community has proven to be quite powerful and to get through some of the biggest fear, uncertainty, and doubt (FUD) campaigns in history (Zeus Capital). The success of Chainlink probably is mainly related to the actual product and tokenomics. But it is not negligible, that the influence of the community plays an equally important factor, in which the ChainLink community proved to be reliable. The mentioned condition is also a prerequisite to avoid bots and scammers from collecting any LinkBit tokens.

After the free Airdrop, 30% more of the tokens will be available for a symbolic price. An attempt will be made to set a price, that simultaneously takes into account that the token must be fairly distributed to ensure the decentralized aspect of the token and the actual worthlessness of the token. Also, the token price can't be too low, otherwise one person or group may be able to acquire too many LinkBit tokens, which contradicts the decentralized aspect. There will be no set requirement to be able to buy (more) LinkBit tokens. That means that everyone, even without owning any Chainlink tokens, may be able to acquire LinkBit tokens.

The last 50% will be used to provide liquidity if the demand is high enough and be saved for possible releases on more cryptocurrency platforms. If the community has a specific wish (for example to send some of the remaining tokens to Sergey Nazarov as a thank you for creating Chainlink), it may be done so.

3.3 Use case at release

There are no real use cases for this token at release. The token doesn't deliver any solution to any given problem. The decision of what to do with LinkBit is entirely in the hands of those who took part in the airdrop and the token sale.

4 Community

Since the token provides no intrinsic value (by a good developed code or being mined like Bitcoin or Monero for example), it can only gain in value if enough people decide that it has a value. Useless Tokens are often promoted by so called pump-and-dump groups by people form closed social media groups. Those groups buy a useless token in order to sell it later on to other people for a much higher price. They do so by promoting their token on other social media platforms to a wider audience. To avoid that LinkBit gets a reputation as another pump-and-dump coin, there will be no official social media group at release.

The community (those who participated in the Airdrop and on the token sale) can later on decide what they want to do with LinkBit, whether they want to advertise this token in a long term as a social experiment, to simply use this opportunity to cash in with some bagholders, or to create a social group in any form they wish to do. Since the actual use of the token is not fixed, it is possible to use the token for everything. There are no limits to imagination.

4.1 Memes

Memes are native on social media platforms. They are funny, entertaining, and easy to consume and to understand. Therefore, marketing with memes is a trend that is quickly becoming popular [6]. It is therefore recommended to create memes that take the above-mentioned points into account to provide more reach for LinkBit. Memes will probably be the biggest reason for LinkBits increase in value.

5 Possible Use Cases for the Future

The use cases and benefits of LinkBit will be decided in the future by the people who hold LinkBit tokens.

6 Conclusion

We are all in this together. Do not under estimate the power of positive thought!
Especially collective positive thought!

If you want to help to improve this paper, or if you wish for informationen to be added, feel free to send an e-mail:

notsergeynazarov@gmail.com

LinkBit is in no way affiliated with ChainLink or LINK. The creator of this paper is not Sergey Nazarov.

References

- [1] Ellis, S. (2017). A Decentralized Oracle Network by Steve Ellis, Ari Juels and Sergey Nazarov.
- [2] <https://unchainedpodcast.com>
- [3] <https://coinmarketcap.com/currencies/yearn-finance/>
- [4] <https://www.coindesk.com/andre-cronje-most-influential-2020>
- [5] <https://www.fca.org.uk>
- [6] <https://medium.com>