

SOFTWARE AND TECHNOLOGY

## Leverage branded cryptocurrencies to increase customer loyalty and drive revenue

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Mainstream acceptance of blockchain and cryptocurrency has been a pain point ever since the technology broke free of its buzzword novelty and became a **multi-billion-dollar** innovation.

As the tech grew out of its niche, the fact that blockchain and cryptocurrency both have lucrative ramifications beyond being the next step in payment options is becoming more apparent.

### Block and tackle

Blockchain allows payments to be exchanged between people or merchants via cryptocurrency without having transactions passed through third-parties. These transactions facilitate faster payments at home and abroad, while reducing processing costs for merchants and businesses.

With online sales racking up nearly **\$505 billion** in 2018, and that number projected to skyrocket beyond \$700 billion within five years, the ecommerce potential is massive.

Technologies with a strong framework that enable third-party marketplaces, enterprises and coins to perform end-to-end payment transactions, including the ability to fund and settle in fiat currency, can push the tech fully into the mainstream.

Establishing them as particularly stable and seamless payment mechanisms will fulfill the tech's promise, and push it to a fascinating next step: branded cryptocurrencies.

It might seem strange to suggest that decentralized systems, built with the fundamental understanding that no single entity could control it, could have a distinct brand.

Yet, with the Internet largely taking over as the driver of consumer habits, well-established brands adopting cryptocurrency is the key to complete its mainstream adoptability.

Here is why brands should leverage these tools in such a fast-emerging market.

#### Brand loyalty

Real-world usage will be driven by the ability for companies to easily adapt cryptocurrencies to abundant transactions.

The most simple grassroots system to do that would be along the same lines as branded cards or loyalty programs, except free from the annoying pain points such as hidden fees that those incur.

For instance, if a service that required consistent usage, such as commercial airline flights, adopted the payment method, it would not only solve the business-side problem by providing an immediate influx of thousands of customers; but it would also ease weary consumers by equating it with the reliability of frequent use.

Plus, the technology gives both parties access to vital data on a verifiable digital ledger consisting of any transactions that go on the blockchain.

Just last year, [AirAsia](#) said it intended to convert frequent-flyer rewards into cryptocurrency, so it is not so far off.

But the issue of brand awareness would be addressed even if your favorite luxury brands, like, for example, anything from fashion labels such as Chanel to high-end department stores including Neiman Marcus, adopted their own cryptocurrency let us call them "ChanelCoin" or "NeimanMarcusCoin."

By matching the cutting-edge technology with lifestyle marketing campaign sentiments, users would express themselves by their blockchain and crypto-focused spend.

In effect, your chosen coin backed by some sort of luxury goods token then defines your status.

Your status and identity is not just what you buy, but could also extend to what you use to buy those items. You get a designer item with ChanelCoin or snag a top clothing item using NeimanMarcusCoin.

When we think about leaning into ecommerce marketing methods such as "owning the customer," there is no better brand loyalty than that.

This kind of rewards program mentality is also already in use.

Japanese ecommerce site Rakuten introduced Rakuten Coin in 2018 as a point-based rewards system.

#### Increased revenue

With reliable blockchain and cryptocurrency systems in place, such technical infrastructure would immediately facilitate fast, easy and secure payments for consumers and merchants alike.

From the merchant's point of view, that valuable utility would reduce the cost of processing transactions from traditional payment options.

Instead of running each transaction through a bank or centralized financial institution, which also accrues processing fees with interest, branded cryptocurrency would reduce those costs by producing direct financial liquidity for companies.

On the flipside, blockchain technology and the cryptocurrency used for payments still allows for peer-to-peer transactions via a decentralized setup, which translates to less money spent on transaction fees for consumers as well.

Having options is always a good thing, and having a wide range of payment potential encourages innovation and improves overall experience across a potential worldwide customer base.

THE MAINSTREAM adoption of cryptocurrency and blockchain technologies by consumers and merchants will only happen if serious due diligence is put in place.

Usability, credibility and trust are the building blocks to reaping the long-term rewards of better brand loyalty and increased revenue.

*What is cryptocurrency? Video credit: Blockgeeks*

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