

How to stimulate DENT usages in the DENT ecosystem?

Introduction:

Currently, there are no major stimuli for DENT App users to prefer the usage of the DENT tokens (or credits) instead of using fiat.

This document gives some tips and recommendations to make it more interesting for both DENT App users and DENT Wireless if users are paying with DENT (credits) instead of fiat.

In short...

1. Skip the current price markups for the DENT dollar bundles, instead...
2. Introduce a credits system where buyers of new DENT credit bundles will get relatively more DENTs the higher the bundle (and make this visible).
3. Introduce a DENTback program.

Too high prices (markups) for buying DENT bundles.

If you look at the current used prices for the DENT bundles and eSIM data plans (as per October 20 2020):

	USD	DENT	DENT/USD	Markup
DENT Bundle	3.99	14,705	0.000271	21.1%
DENT Bundle	9.99	39,349	0.000254	13.3%
DENT Bundle	19.99	80,423	0.000249	11.0%
DENT Bundle	49.99	203,646	0.000245	9.6%
DENT Bundle	99.99	409,018	0.000244	9.1%
1GB	4.99	22,278	0.000224	
3GB	12.99	57,995	0.000224	
10GB	39.99	178,539	0.000224	

You can see that that the conversion price for the 1GB, 3GB, and 10GB is the same \$0.000224, but for the DENT bundles markups are being used from 9.1% to 21.1%, the lower the bundle the higher the markup.

I think we all agree that throughout the app, all prices that are denominated in USD and DENT should use the same conversion rate, which is the case now.

But why use markups for DENT App users who buy the DENT bundles with USD?

It should not matter if users first buy a DENT bundle with USD and use the DENT to buy eSIM data plan, or if the user directly pays for the eSIM data plan with USD.

In both cases, DW will get paid in USD by the user who pays with one of the payment methods (as mostly PayPal or Credit Card).

Yes, there are transaction costs involved with PayPal and Credit Card payments, but as a rule the higher the USD purchase amount involved, the lower the relatively transaction costs.

So, DENT Wireless has an advantage if DENT App users pay with higher USD values in comparison to small payments as for the \$3.99 DENT bundle or the \$4.99 1GB eSIM data plan.

Also, we can "neglect" the associated transaction costs for DENT App users who will pay with DENT credits for their in-app purchases.

Hence, DENT Wireless should stimulate users to pay more USD at once. How?

- By giving quantum discounts for buying larger sized data bundles as DW currently does (10GB costs \$3.99 per GB while 1GB costs \$4.99).
- By giving quantum discounts (i.e. giving relatively more DENT credits) for buying larger USD bundles. DW uses this technique but in combination with unnecessary price markups.

So, the first things to do is...

1. **Skip the price markups for the DENT dollar bundles** and use the same DENT/USD conversion price as being used for the data plans.
2. **Introduce a credits system where buyers of new DENT credit bundles will get relatively more DENTs the higher the bundle.** And make this visible for the DENT App users.

As you can see in the proposed adjusted pricing example below...

	USD	DENT	DENT/USD	Credit Discount	Extra DENT	Total DENT	DENT/USDT New
DENT Bundle	9.99	44,601	0.000224	2.0%	892	45,493	0.000220
DENT Bundle	19.99	89,246	0.000224	3.0%	2,677	91,923	0.000217
DENT Bundle	49.99	223,182	0.000224	4.0%	8,927	232,109	0.000215
DENT Bundle	99.99	446,408	0.000224	5.0%	22,320	468,729	0.000213

1GB	4.99	22,278	0.000224
3GB	12.99	57,995	0.000224
10GB	39.99	178,539	0.000224

As you can see, I skipped the \$3.99 bundle as it is below the minimum \$4.99 for buying the lowest priced data plan.

Also, the extra DENTs are clearly visible that the new bundle owner will get. So, he immediately sees the benefits of buying more DENTs.

Of course, the team can play with the credit discounts, I used 2-5% discounts, but if you compare this with other global eSIM providers as RedteaGO who give 20-50% credits discounts (if you'll pay \$100, you'll get \$150 worth of credits for future purchases).

So, you can see the extra credits as discounts for users who pay upfront a dollar amount for future purchases. And the more paid upfront, the higher the discounts.

Note 1: DENT Wireless must make a reservation for the DENT credits by buying the necessary (real) DENT on DENT Exchange. This way, DW immediately "locks in" the given free DENT (credits). Or to say it other words... DW has to buy more DENTs than regularly for the same USD but these extra DENTs are "future to be given price discounts" and are immediately "taken" by the marketing team.

Note 2: DENT credits can only be used for in-app purchases. So, the DENT App user already committed to buy a certain amount of USD for future in-app purchases. Just as the credits system that RedteaGO is using.

DENTback program (Cashback with DENTs instead of USD)

To stimulate the DENT usage over USD payments and to stimulate future purchases, I advise to start a cashback program where buyers get free DENT for every purchase they make.

This DENTback program can be implemented in many ways but I would like to make it simple.

Either users get a fixed percentage of the purchase amount of all products bought.

Or users get a fixed number of DENTs for each GB they will buy. For example, "Get 1,000 for each GB you'll purchase".

The first is the easiest and the same percentage can be used over time, while the latter number of free DENTs has to be adjusted in case of DENT token price

changes or if the marketing team wants to do a marketing campaign and give more free DENTs for each GB purchased during a specific action period.

With respect to the DENTback, you can even make a distinction between users who pay fully with DENT and users who pay (partly or fully) with USD.

For example, give a 2% DENTback for users who pay with USD, and give 4% DENTback for users who pay fully with DENTs.

Of course, the DENTback is automatically added to the user's balance after the purchase has been completed. So, the free DENTbacks are only usable for future purchases.

Summary

Overall, by stimulating users to buy larger data plans or larger DENT (dollar) bundles, and to use DENT instead of USD, DENT Wireless can save payment transaction costs, and get paid upfront with leads to improving liquidity, the team can give back some of these benefits to the "heavy" users via:

1. Introduce DENT Credits discounts, i.e. relatively more DENT the higher the USD bundle amount (and skip the current price markup for the bundles).
2. Keep the current existing quantum discount pricing model active, the more data, the lower the unit price (in USD).
3. Introduce a DENTback program where buyers will get free DENTs for future purchases where users who pay with DENT will get a higher DENTback than users who pay with USD.

As side benefit, the DENT transaction volume will increase, and the token velocity will decrease. Hence, will lead to a token price appreciation.

So, beneficial for both DENT Wireless, the DENT App users, and the DENT token holders.

And step 1 and 2 are quite easy to implement. Just change the variables in the current "price table". Plus, a little bit developing to make the extra credit discounts "visible" (either by visible amount extra DENTs or mention of extra in 5%).

The introduction of a DENTback program will take some more developing time but should not been that difficult to build and implement.