

Fashion TV to roll out 'loyalty' F-coin

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Mr Adam says investors will have access to heavily discounted products on FTV's e-commerce platform, and can use the currency to purchase marked down ads and licences for the company's hotel, restaurant and club brands. PAWAT LAOPAISARNTAKSIN

Fashion TV aims to raise €67 million (7.57 billion baht) through the initial offering of its F-coin, a cryptocurrency that gives buyers access to heavily discounted products and services on the company's platform.

The pre-sale period extends from March 5 to May 15. The company has raised €4 million and received a number of additional commitments from customers, said founder and president Michael Adam, a long-time resident of Bangkok.

The Paris-headquartered company issued 1,500 million tokens at a starting price of €0.18. The company plans to list on major cryptocurrency exchanges, including bitFlyer and Binance. The minimum purchase is €500, said Mr Adam.

Investors will have access to heavily discounted products on FTV's e-commerce platform, and can also use the currency to purchase marked down ads and licences for its hotel, restaurant and club brands.

"It's just like a coupon from Central Group or another retailer," he said.

Discount levels will depend on the number of shares held. Holders with more than €100,000 will receive a 10% discount, those with more than half a million (15%), and those with more than a million (20%). Entities with more than €1 million in F-coins can advertise their own coins on F-TV platforms, and serve as judges in modeling competitions.

Mr Adam said the e-commerce unit of the firm will remain profitable in spite of the discounts. "Credit cards make 2% (on sales), we can make 5%," he said.

The proceeds of the offering will be used to beef up the company's e-commerce and over-the-top (OTT) offerings. The majority of the company's revenue last year still came from traditional TV, but the firm expects to grow its FTV+OTT platform subscriber base from 1 million last year to 5 million in 2019, said Mr Adam.

The move will also support Fashion TV's entry into the Chinese TV market. The company will act as a broker, offering bundles of Chinese channels to hotels in a number of markets. The programme is being test driven in Thailand and Russia and will be rolled out in European cities soon.

"We are a valuable mediator because TV channels don't talk to each other for competitive reasons," he said.

The coin will also be instrumental in reaching the 250% revenue increase the company is targeting for 2018. Last year FTV logged revenue of €40 million. The company projects a €140 million turnover in 2018 and €240 million the following year.

Unlike most ICOs, which aim to raise funds for new products, FTV wants to leverage its position in the industry to retain money in the products it has built up over the years -- akin to a loyalty programme.

The company hopes the coin can help it entrench itself in the sector by promoting it as a standard paying method in the industry. For example, users who create content for FTV's OTT platform will receive payment from advertisers in F-Coins.

The company is also pushing its affiliated models, suppliers and brokers to conduct their transactions in bitcoin.

"Recording the transaction on a blockchain visible to everyone, and establishing smart contracts with suppliers will ensure that models and their families get paid on time," said Mr Adam.

He said some models are underage and inexperienced, which makes them easy prey for cunning promoters looking to retain their wages. The system will be regulated through ratings. Agencies that pay on time, as reflected on the blockchain ledger, will secure additional business, while those that engage in unfair practices will be exposed, said Mr Adam.

On average, close to 200 ICOs per month have been held this year, according to the Wall Street Journal. Among the more successful ones was Telegram, which raised \$1.7 billion (65.4 billion baht) between February and late March.

The number of monthly ICOs keeps increasing, even as regulators and large tech firms like Google cast a more skeptical eye on the practice. At issue is whether companies do enough to alert buyers to the risks.

Companies like FTV are moving to offer coins with some "functionality" above and beyond speculation, in part to avoid security-like regulations.

In January, Kodak announced the launch Kodackcoin, which will be used to pay for photograph licences. AirAsia recently announced its intent to launch a coin that, like FTV's, would work as part of a loyalty programme.

"People are confusing coins used for speculation and utility coins. They are misunderstanding the opportunity of our coin," said Mr Adam.