

PIVX PROPOSAL - STOP NEW ECONOMIC MODEL!

This is an urgent call to stop the new coin emission model. Please vote against the funding to keep things as they are. Everyone wants to make profit and the development costs money but the planned new coin distribution scheme contains high risks! The solution is to increase promo.

About me:

Hello I'm Florian (40 / m) (diploma in business engineering) from Germany, (I'm not a member of the core team but still felt urged write this counterproposal) I'm software project manager / software Architect with more than 13 years' experience in defining software structures (not a developer). I've been working for big German pharma company and was the responsible project manager for the development and integration of a manufacturing execution system to digitalize the company's documentation processes along the production lines. There I worked until 2018. After "finishing" my duties there I left the company and started to work on my own crypto related projects.

In 2019 I started 3 websites

1. faucet-list.org, ab pure HTML Website built with the former CMS MUSE from the adobe creative suite where I refer users to other websites and gain a commission if they use my links, it's my first and my worst website of all still it does it's work and generates me some income. A major update is planned
2. qashbits.com. I bought a faucet script online and set it up in 2019 since then it's running an I have paid ~ 0.3 BTC to users (I must say it was hard , as there where many security issues from which many are solved now.)
3. crinf.net, A website I built from scratch by looking at other websites and improving the concept. crinf.net includes a faucet, a PTC feature, a poll feature, external surveys where users can sign up and earn different crypto coins where I want to add PIVX soon.

I'm in the crypto space since 2017 and very soon I had PIVX on the radar, I always dreamed of having PIVX masternode next to a Dash Masternode.

In the beginning of May 22 when PIVX had a low I was able to purchase 21k PIV and se up 2 masternodes. And my long year dream came finally true. I strongly believe in the business model that's why I purchased those MNs

The shock came on 16th June 2022

On June 16th I realized that a major Change to the Reward model is planned and that the decision is made to change the reward system in a drastic way by multiplying the reward outputs.

<https://forum.pivx.org/threads/the-new-pivx-economic-model.1100/>

	OUTPUT / BLOCK		OUTPUT DAY		OUTPUT WEEK		OUTPUT MONTH		OUTPUT YEAR	
	old	new	old	new	old	new	old	new	old	new
TREASURY	1	10	1440	14400	10080	100800	43200	432000	525600	5256000
STAKING	2	4	2880	5760	20160	40320	86400	172800	1051200	2102400
MASTERNODES	3	6	4320	8640	30240	60480	129600	259200	1576800	3153600
total	6	20	8640	28800	60480	201600	259200	864000	3153600	10512000

With the actual inflation model, it would take ~ 22 years until the amount doubled, assumed there will no transaction fees burned (69.340.000 / 3.153.600)

With the new Model it will only be (69.340.000 / 10.512.000) ~ 6.6 years until the amount doubled.

The new max theoretical supply will be more than 10 Million coins per year, a factor of 3.3333 compared to the old revenue model.

3.333 x MORE COINS THAN NOW!

I'm an investor and want a good future for PIVX and I consider the current distribution model as nearly perfect. (I was already thinking about adding a proposal to remove the treasury output to remove the centralized factor, but at the moment I'm convinced it's good as the funds are really needed for development)

So why this new coin emission approach is wrong.

PIVX is a well running system that has grown continuously over the last years and many volunteers, developers, and managers have made it into what it is now. A stable running good system! An absolute genius project with a lot of potential, all the basic features a successful project needs, an already grown and good community more than 1600 master nodes, Staking feature (how genius is that) , privacy feature , low fees, listing on binance etc.

This project has achieved already many goals and it will continue to do so because it provides a value, a use case. Private transactions for very low fees.

Now there is a bear market caused by the Bitcoin Crash and as most currencies are exchanged against Bitcoin the BTC price drop affects nearly all cryptos

ARGUMENT 1: A bear market is not a reason to change fundamentals

Is a bear market really a reason to change the fundamentals of such a good project?
→ NO!

Shouldn't the time of the bear market rather be used to make new plans for times when more funds are available and spend the funds on promotion in this time

Except the funding for developers there is no reason to do so!

ARGUMENT 2: A question of trust

Massive changes like this might have an impact on the trust of this project. Ongoing project stability increases trust. Massive short time changes because of a bear market might decrease the trust. If they do this now, what will they do next. Just imagine an announcement of Bitcoin supply increase. It would be massive loss of trust. Not worth risking it

ARGUMENT 3: WHAT WILL BE THE RESULT OF COIN INCREASING

What might happen if the output of coins is increased

1. When the number of an asset is increased the value of each single entity decreases. Mathematically each PIVX will lose ~70 % of its value
2. A Huge part of the new generated coins will enter the markets and dump the prices, each actual PIVX owner will have harder times to sell their PIVX

3. The worth of a masternode will decrease as it's much easier to get a masternode, and with an increasing number of masternodes the rewards per masternode will decline also. This effect might be balanced by the increased reward in the beginning but might get in effect at the day when the price decrease is higher than the reward increase

>> MORE COINS DOES NOT AUTOMATICALLY MEAN MORE USERS <<

ARGUMENT 4: SCARCITY OF AN ASSET!

NEXT TO THE USE CASE, community and the technical setup the scarcity of an asset is a important factor for the price building. The lower the supply the higher the price which means the higher the supply the lower the price.

I like following example. Imagine being a man in the desert who is very thirsty. Now you see a merchant who can sell you water. As his resource is very rare in this environment you are willing to pay a higher price to get that water. Now imagine the same situation with hundreds of merchants. The price will decrease drastically.

ARGUMENT 5: PROMO is the key,

PROMO = NEW USERS = NEW BUYERS = PRICE INCREASE

NO PROMO = NO NEW USERS

If there is no promo there are no new users, If there are no new users there are no new buyers. No new buyers and increased supply = further price decay. So, the focus must be put on promo.

Nowadays there is a huge competition with all the new coins and currencies, where many bad coins had success because they had a good promo but had no value. In the end it's all about promo! If people don't know PIVX how can they buy PIVX.

PROOF:

Compare the rank of pivx.org on xrank with my sites

<https://xrank.com/pivx.org>

<https://xrank.com/crinf.net>

<https://xrank.com/qashbits.com>

In the global Webranking, you can see that this kind of promo is working and much cheaper than google promo and with less limitations

ACTUAL POLL with 200 USERS

I have made a telegram poll among the users of my site in June 17th if they know PIVX. The users are from the whole world and the result is that most of them just don't know PIVX



This might be not exactly representative, but it shows a trend that there is a lack of promo.

There are following options to increase promo

PROMO OPTIONS:

1. CRYPTO AD NETWORKS

There are BTC ad networks like

- BitMedia,
- A-ADS,
- Coinzilla,
- adaround
- and others

where banner promo / popup promo can be done that is displayed to many users of the crypto community.

2. PTC PAID TO CLICK

There are many Paid to click sites where users will receive coins for visiting ads. No matter what the reputation of this advertising method is it can be very effective for 1000 Site visits per Dollar

How promo works: Promo works through repeated displaying. The first time you visit a website, you might not remember it. The second time it's like that you might think "I've seen that one before". And with every repetition it is more likely that the promoted product stays in your mind

And therefore, PTC is a perfect tool

3. Faucets

Faucets are very good distribution possibility that can attract thousands of users to a project and adding thousands of transactions to a blockchain once you have started accumulating a coin it's likely that you will be interested in getting more. Also, a faucet will increase the number of transactions on the chain, as it looks now it's happening pretty nothing, a faucet can add hundreds of transaction in the chain, which increases its value. Faucet claimers in the most cases are not selling their coins but accumulating them

I have experience with that and can help setting up some faucets

4. Airdrops

Most loves free gifts, with regularly airdrops financed from the treasury there can be made additional promo, but methods 1. 2. 3 will be more effective

Conclusion: Instead of increasing coin emission better increase coin distribution

How can I know it works? Due to my experience with faucets I can say that whatever I promoted there was some kind of success from promotion. When I'm doing promo sth happen, When I'm not doing promo nothing happens!

So I'm asking the community members to reflect and answer yourself the following question and post it in the comments"

“ Who will buy all these additionally new generated coins if it's not even possible to find enough buyers for the actual supply? “

IT's better to focus on distributing existing coins to new users than increasing the bags of existing users.

Fact is : the system is working

The system is working! Now it's time to focus on growth! It will not help to continue the development but not increasing the promotion, when the project dies all the development was useless. First it must be revived. there must be more transactions in the blockchain. More active addresses, more stakers etc.

SUMMARY:

What are the pros and cons and the possible outcome?

pro	Con
+ more revenue for developers	- devaluation of existing coins

	- not more users who buy the new coins
	- bad for the trust
	- devaluation of masternodes
	‘-Price decay accelerating by price decay from increased supply, panic sales .possible death spiral.

VOTE NO for the June 2022 slush fund

and let's use the treasury for increased promo in the next months instead before deciding such a fundamental thing like the coin increase.

VOTE AGAINST IT BEFORE THE DAMAGE HAPPENS!

(This is not that I want to criticize decision has been made before, it's just the dangers I see that might have been overseen in the discussion)

Instead let's do following things. (I will add new proposals via DAO when we get the new coin emission model stopped)

- **SPEND MORE FROM TREASURY FOR PROMO!**
- **SET UP ONE OFFICIAL PIVX AND HELP THE COMMUNITY TO SET UP OWN FAUCETS**
- **USE BANNER PROMO ON CRYPTO Ad NETWORKS**
- **MAKE AIRDROPS**

Add some more details on the website about

- Burning rate in relation to generation rate.
- How many coins have already been burned
- A link to the paper wallet generator
- An overview site with the PIVX specification ([example](#))

- Add real time statistics on the website like
Transactions today, generated today, burned today
Transferred amount of coins today etc... , active
addresses. We can discuss and define the details in
further discussions. The goal now is to stop or at least to
postpone the new coin emission plan.
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another option would be another alternative coin emission model; where only the treasury emission is increased for a limited time and switch back to the old model after a fixed time , That would be enough increased outputs in times of bearmarkets and not change the fundamentals

Let's not be greedy but reasonable. First it might sound good if there are higher rewards, but at the end of the day nothing changes when you have more coins that are worth less.

Thanks for reading! I hope I can convince you!