

Bitcoin.

Sweat. Tide.

Meet the future of branded currency.



About this topic

Paul Kemp-Robertson discusses alternative forms of currency in a hyperconnected, data-driven global economy. He highlights Bitcoin as the best-performing currency, explaining its decentralized nature and fluctuating value. Paul explores the growing distrust in traditional institutions and the rise of branded currencies like Amazon coins, Tide detergent used in drug transactions, and Nike's "Bid Your Sweat" campaign. He mentions Vodafone's Fakka credit in Egypt and the potential for brands to create their own currencies. Paul questions if technology is making paper money obsolete and if brands are beginning to fill roles traditionally held by governments.



The reason I chose

Cryptocurrency, Bitcoin, Ethereum... What kind of image do you have? Cryptocurrency has a bad image in Japan due to money laundering, crime, fraud, etc. Meanwhile, Bitcoin is gaining citizenship around the world. In Africa, it is used as a means of overseas remittance, and in 2024, a Bitcoin ETF was approved in the United States. Catch up with the world by deepening your understanding of Bitcoin and cryptocurrencies, a completely new technology trend!

Words you need to understand

Bitcoin	A digital currency created in 2009, it operates without a central authority and allows peer-to-peer transactions over a secure network.
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Virtual	Existing in digital form and accessible only through computers or electronic devices.
Crypto-currency	A type of digital or virtual currency that uses cryptography for security and operates independently of a central bank.
Satoshi Nakamoto	The pseudonymous person or group who created Bitcoin and authored its original white paper.
Mining	The process of validating and adding transactions to the blockchain, often involving complex mathematical calculations and rewarded with new cryptocurrency.
Blockchain	A decentralized digital ledger that records all transactions across a network of computers, ensuring security and transparency.
Decentralized	Operated without a central authority, with control distributed across a network.
Anonymous	Allowing users to perform transactions without revealing their identity.
Fluctuations	Variations in the value of a cryptocurrency, often due to market demand, investor behavior, and regulatory news.

Discussion topic

- What is Bitcoin?: Discuss what Bitcoin is, how it was created, and why people use it.
- Why Does Bitcoin's Price Change So Much?: Talk about why the price of Bitcoin goes up and down a lot.
- Trust in Banks vs. Bitcoin: Compare why some people trust Bitcoin more than banks.
- Can Brands Create Their Own Money?: Explore how companies like Amazon and Nike are making their own types of money and what that means.
- The Future of Paper Money: Discuss if you think we will always use paper money or if digital currencies will take over.



True or False

1 T	Bitcoin was created by a person named Satoshi Nakamoto.
2 F	The price of Bitcoin is always stable and does not change much.
3 T	Some people trust Bitcoin more than traditional banks.
4 T	Digital currencies might replace paper money in the future.
5 F	Bitcoin is managed by a central authority like a government or a bank.
6 T	Bitcoin transactions are recorded in a public ledger called the Blockchain.
7 T	Bitcoin allows for completely anonymous transactions.
8 F	The value of Bitcoin never drops once it increases.
9 T	Some drug users in America use Tide detergent as a form of currency.

script

So if I was to ask you what the connection between a bottle of Tide detergent and sweat was, you'd probably think that's the easiest question that you're going to be asked in Edinburgh all week. But if I was to say that they're both examples of alternative or new forms of currency in a hyperconnected, data-driven global economy, you'd probably think I was a little bit bonkers. But trust me, I work in advertising.

And I am going to tell you the answer, but obviously after this short break.

So a more challenging question is one that I was asked, actually, by one of our writers a couple of weeks ago, and I didn't know the answer: What's the world's best performing currency? It's actually **Bitcoin**. Now, for those of you who may not be familiar, Bitcoin is a **crypto-currency**, a **virtual** currency, synthetic currency. It was founded in 2008 by this anonymous programmer using a pseudonym **Satoshi Nakamoto**. No one knows who or what he is. He's almost like the Banksy of the Internet.

And I'm probably not going to do it proper service here, but my interpretation of how it works is that Bitcoins are released through this process of **mining**. So there's a network of computers that are challenged to solve a very complex mathematical problem and the person that manages to solve it first gets the Bitcoins. And the Bitcoins are released, they're

put into a public ledger called the **Blockchain**, and then they float, so they become a currency, and completely **decentralized**, that's the sort of scary thing about this, which is why it's so popular. So it's not run by the authorities or the state. It's actually managed by the network. And the reason that it's proved very successful is it's private, it's **anonymous**, it's fast, and it's cheap. And you do get to the point where there's some wild **fluctuations** with Bitcoin. So in one level it went from something like 13 dollars to 266, literally in the space of four months, and then crashed and lost half of its value in six hours. And it's currently around that kind of 110 dollar mark in value.

But what it does show is that it's sort of gaining ground, it's gaining respectability. You get services, like Reddit and Wordpress are actually accepting Bitcoin as a payment currency now. And that's showing you that people are actually placing trust in technology, and it's started to trump and disrupt and interrogate traditional institutions and how we think about currencies and money. And that's not surprising, if you think about the basket case that is the E.U. I think there was a Gallup survey out recently that said something like, in America, trust in banks is at an all-time low, it's something like 21 percent. And you can see here some photographs from London where Barclays sponsored the city bike scheme, and some activists have done some nice piece of guerrilla marketing here and doctored the slogans. "Sub-prime pedaling." "Barclays takes you for a ride." These are the more polite ones I could share with you today. But you get the gist, so people have really started to sort of lose faith in institutions.

There's a P.R. company called Edelman, they do this very interesting survey every year precisely around trust and what people are thinking. And this is a global survey, so these numbers are global. And what's interesting is that you can see that hierarchy is having a bit of a wobble, and it's all about heterarchical now, so people trust people like themselves more than they trust corporations and governments. And if you look at these figures for the more developed markets like U.K., Germany, and so on, they're actually much lower. And I find that sort of scary. People are actually trusting businesspeople more than they're trusting governments and leaders.

So what's starting to happen, if you think about money, if you sort of boil money down to an essence, it is literally just an expression of value, an agreed value. So what's happening now, in the digital age, is that we can quantify value in lots of different ways and do it more easily, and sometimes the way that we quantify those values, it makes it much easier to create new forms and valid forms of currency. In that context, you can see that networks like Bitcoin suddenly start to make a bit more sense.

So if you think we're starting to question and disrupt and interrogate what money means, what our relationship with it is, what defines money, then the ultimate extension of that is, is there a reason for the government to be in charge of money anymore? So obviously I'm looking at this through a marketing prism, so from a brand perspective, brands literally stand or fall on their reputations. And if you think about it, reputation has now become a currency. You know, reputations are built on trust, consistency, transparency. So if you've actually decided that you trust a brand, you want a relationship, you want to engage with the brand, you're already kind of participating in lots of new forms of currency.

So you think about loyalty. Loyalty essentially is a micro-economy. You think about rewards schemes, air miles. The Economist said a few years ago that there are actually more unredeemed air miles in the world than there are dollar bills in circulation. You know, when you are standing in line in Starbucks, 30 percent of transactions in Starbucks on any one day are actually being made with Starbucks Star points. So that's a sort of Starbucks currency staying within its ecosystem.

And what I find interesting is that Amazon has recently launched Amazon coins. So admittedly it's a currency at the moment that's purely for the Kindle. So you can buy apps and make purchases within those apps, but you think about Amazon, you look at the trust barometer that I showed you where people are starting to trust businesses, especially businesses that they believe in and trust more than governments. So suddenly, you start thinking, well Amazon potentially could push this. It could become a natural extension, that as well as buying stuff -- take it out of the Kindle -- you could buy books, music, real-life products, appliances and goods and so on. And suddenly you're getting Amazon, as a brand, is going head to head with the Federal Reserve in terms of how you want to spend your money, what money is, what constitutes money.

And I'll get you back to Tide, the detergent now, as I promised. This is a fantastic article I came across in New York Magazine, where it was saying that drug users across America are actually purchasing drugs with bottles of Tide detergent. So they're going into convenience stores, stealing Tide, and a \$20 bottle of Tide is equal to 10 dollars of crack cocaine or weed. And what they're saying, so some criminologists have looked at this and they're saying, well, okay, Tide as a product sells at a premium. It's 50 percent above the category average. It's infused with a very complex cocktail of chemicals, so it smells very luxurious and very distinctive, and, being a Procter and Gamble brand, it's been supported by a lot of mass media advertising. So what they're saying is that drug users are consumers too, so they have this in their neural pathways. When they spot Tide, there's a shortcut. They say, that is trust. I trust that. That's quality. So it becomes this unit of currency, which the New York Magazine described as a very oddly loyal crime wave, brand-loyal crime wave, and criminals are actually calling Tide "liquid gold."

Now, what I thought was funny was the reaction from the P&G spokesperson. They said, obviously tried to dissociate themselves from drugs, but said, "It reminds me of one thing and that's the value of the brand has stayed consistent." (Laughter) Which backs up my point and shows he didn't even break a sweat when he said that.

So that brings me back to the connection with sweat. In Mexico, Nike has run a campaign recently called, literally, Bid Your Sweat. So you think about, these Nike shoes have got sensors in them, or you're using a Nike FuelBand that basically tracks your movement, your energy, your calorie consumption. And what's happening here, this is where you've actually elected to join that Nike community. You've bought into it. They're not advertising loud messages at you, and that's where advertising has started to shift now is into things like services, tools and applications. So Nike is literally acting as a well-being partner, a health and fitness partner and service provider.

So what happens with this is they're saying, "Right, you have a data dashboard. We know how far you've run, how far you've moved, what your calorie intake, all that sort of stuff. What

you can do is, the more you run, the more points you get, and we have an auction where you can buy Nike stuff but only by proving that you've actually used the product to do stuff." And you can't come into this. This is purely for the community that are sweating using Nike products. You can't buy stuff with pesos. This is literally a closed environment, a closed auction space.

In Africa, you know, airtime has become literally a currency in its own right. People are used to, because mobile is king, they're very, very used to transferring money, making payments via mobile. And one of my favorite examples from a brand perspective going on is Vodafone, where, in Egypt, lots of people make purchases in markets and very small independent stores. Loose change, small change is a real problem, and what tends to happen is you buy a bunch of stuff, you're due, say, 10 cents, 20 cents in change. The shopkeepers tend to give you things like an onion or an aspirin, or a piece of gum, because they don't have small change. So when Vodafone came in and saw this problem, this consumer pain point, they created some small change which they call Fakka, which literally sits and is given by the shopkeepers to people, and it's credit that goes straight onto their mobile phone. So this currency becomes credit, which again, is really, really interesting.

And we did a survey that backs up the fact that, you know, 45 percent of people in this very crucial demographic in the U.S. were saying that they're comfortable using an independent or branded currency. So that's getting really interesting here, a really interesting dynamic going on. And you think, corporations should start taking their assets and thinking of them in a different way and trading them. And you think, is it much of a leap? It seems farfetched, but when you think about it, in America in 1860, there were 1,600 corporations issuing banknotes. There were 8,000 kinds of notes in America. And the only thing that stopped that, the government controlled four percent of the supply, and the only thing that stopped it was the Civil War breaking out, and the government suddenly wanted to take control of the money. So government, money, war, nothing changes there, then.

So what I'm going to ask is, basically, is history repeating itself? Is technology making paper money feel outmoded? Are we decoupling money from the government? You know, you think about, brands are starting to fill the gaps. Corporations are filling gaps that governments can't afford to fill. So I think, you know, will we be standing on stage buying a coffee -- organic, fair trade coffee -- next year using TED florins or TED shillings?

Thank you very much.

TED Talk Link

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