



WULET - Swap your loyalty points

Store all your bonuses in one app and exchange them whenever you need!



WHITEPAPER

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Executive Summary

The market value of loyalty points exceeds hundreds of billions

- In the meantime, the amount of expired unredeemed points exceeds \$100bn in North America only
- Book value of loyalty points is about to reach \$500bn in 2019

The majority of loyalty programs (LP) are inefficient

- Operational inefficiencies such as account inactivity, low redemption rates, low client retention rates and high acquisition costs are the main problems of loyalty programs
- Programs are not compatible with each other
- Customer activity is limited by offers of loyalty programs

WULET blockchain ecosystem allows to:

- Benefit from entering a “blue ocean” market of tradable loyalty (bonus) points
- Breathe new life into the “tired” concept of loyalty programs
- Receive data, which will allow to adjust loyalty programs strategy and increase ROI

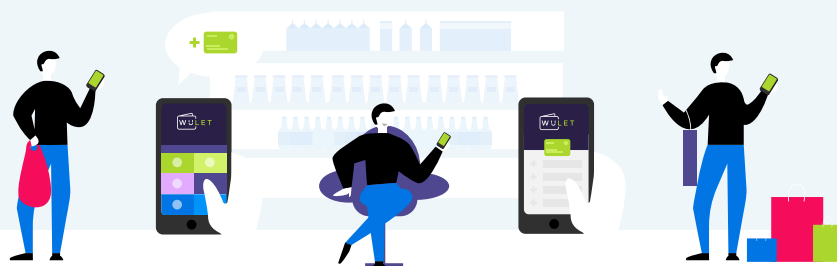


Mission

Our mission is *to create a new “blue ocean” of possibilities for the market*, which will allow users to trade earned loyalty points (along with unifying user data) and engage those users into consuming on a whole new level with mutual benefits for all (organizations and customers).



Team WULET strongly believes that **traditional loyalty schemes need a rethink** not only because of changing consumer expectations but also because they have become expensive to run and difficult to adjust. Loyalty is the brand's ability to be at the top of the customer's mind, as well as to provide an ultimately pleasurable customer experience, which is much harder to achieve when every consumer has different expectations and responds to different triggers when it comes to engaging with a brand. Getting the customer experience right has become the differentiating factor for many successful business models. The right loyalty strategy must require the minimal amount of actions from a customer and provide the most joyful customer experience possible.



We are pleased to present **WULET** - a blockchain based platform that **unites all loyalty programs with a synergy effect for companies**.

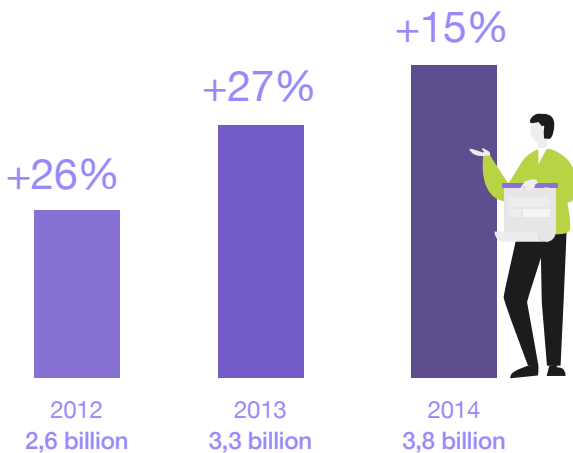
We are creating the ultimate tool that will help customers to store all their cards, discounts, and coupons in one convenient system, to exchange loyalty points of different companies and use them timely to their maximum effect. In the meantime, it will allow companies to elevate the management of loyalty programs to an absolutely new level, to benefit from entering a “blue ocean” market of tradable loyalty points and to increase ROI and client retention rate.

Market review

Recent surveys show that current loyalty landscape is characterized by low levels of engagement and redemption. The main reason is that loyalty programs (LP's) have become fairly common. This results in highly fragmented market with a large number of loyalty programs.

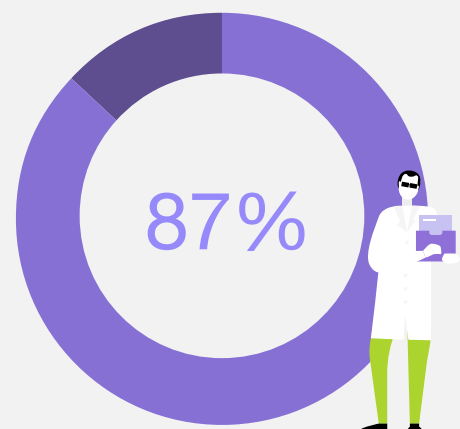


Despite the variety of programs, modern LP's are rigid in their inherent inefficiencies such as locking in their customers with no alternative offers or suggestions and absence of points value outside of the brand context.



According to the industry benchmark COLLOQUY Loyalty Census, enrollment in loyalty programs across various industries in the US grew by 20% in just three years and more than tripled since the turn of the century. Customers are willing to participate in LP's but their expectations remain unfulfilled.

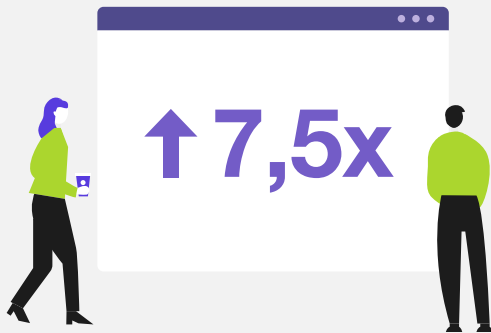
Moreover, according to the Loyalty Research 2018 by Bond, 87% of Americans are willing to have various details of their activity tracked by a brand in exchange for a more personalized and relevant relationship with the brand or program. Most loyal customers already provide this data, but are not treated accordingly¹.



¹ The Loyalty Report, Bond, 2018

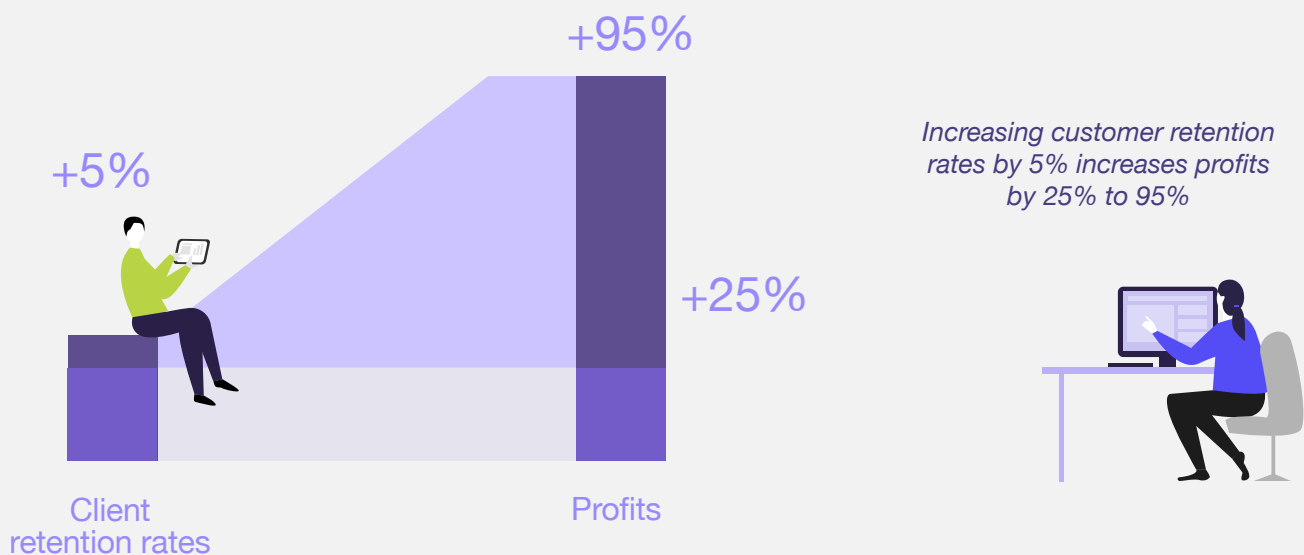
Market review

Organizations are also lacking this kind of customer activity data, which is crucial when it comes to **adjusting their loyalty programs with a better understanding of their target audience** and enhancing customer experience. Positive redemption experience, which increases life-time value (LTV) of a customer dramatically, is not taken seriously by the companies.



However, the analysis of the market shows that superior long-term profit cannot be achieved without superior customer loyalty. Changing strategy for loyalty programs to meet customer expectations results in a 7.5x lift in member satisfaction²

According to the Harvard Business Review, attracting a new customer can cost five times as much as keeping an existing one, so companies need to pay as much attention to retention as they do to acquisition. Boosting customer retention rates by just 5% can increase profits by between 25 and 95%.



In order to achieve this result, the market has to create more relevant and timely experiences across all touchpoints by incorporating data science and using technology such as 'nextbest-action'.

The authors of "Making blockchain real for loyalty" research by Deloitte claim that **new digital technology could be the unique solution.**

² *The Loyalty Report, Bond, 2018*

³ «Zero Defections: Quality Comes to Services», *Harvard Business Review*

Competitors



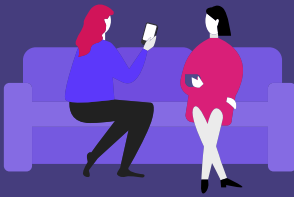
Points.com, founded in 2000 and listed on NASDAQ Exchange. This platform allows users to exchange bonus points of different companies. The main disadvantage of this system is that exchange rates are fixed and are regulated by companies. Moreover, every company sets rights for exchanging their points for points of other company.



BitRewards.network is a blockchain-based platform with cashback and loyalty points in the form of cryptocurrency. Token Sale was finished in 2Q 2018. The main principle of this platform is to reward clients in the way of cryptocurrency, which is hard to implement due to a necessity to convince companies from real sector to work with cryptocurrency.



The main idea of SLP Network is to build a decentralized exchange of loyalty points, which is similar to WULET, but developing own blockchain might be more costly and much more difficult than building platform on existing solutions like EOS. The critical advantage of SLP is significant expertise in a sphere of loyalty points. SLP already works in this industry under SailPlay name.



	Points.com	BitRewards	SLP	WULET
Decentralized	✗	✓	✓	✓
Own Exchange	✓	✗	✓	✓
Floating Rate	✗	✗	✓	✓
Ability to easily create Loyalty Programs	✗	✓	✓	✓
Cashback	✗	✓	✗	✓

WULET description

We are pleased to present WULET - a blockchain based platform that unites all loyalty programs with a synergy effect for all companies. We are creating the ultimate tool that will help customers:



store all their cards, passwords, discounts, and coupons in one safe place



manage, exchange and buy loyalty (bonus) points from different companies and use any of them to maximum effect at the perfect time



receive crypto cashback for everyday online and offline purchases



get engaged in a game, where they are not pressured by intrusive advertising but receive the most precise offers at the moment of request/purchase/exchange/receiving loyalty(bonus) points



get more personalized offers based on data gathered through customers activity

WULET blockchain ecosystem with its innovative features will allow companies worldwide to:



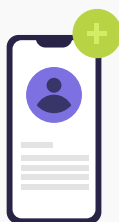
Benefit from entering a “blue ocean” market of tradable loyalty points



Breathe new life into the “tired” concept of loyalty programs and increase ROI



Receive data, which will allow to adjust loyalty programs strategy



Win and retain new customers on principles of personalisation, relevance, and exclusivity



Implement crypto cashback among other customer reward strategies



Engage clients via different channels

WULET description



The WULET team provides a solution that will unite all loyalty programs and allow users to exchange bonus points of various companies



WULET will create its own internal exchange, where clients will be able to purchase or sell bonus points of any loyalty program in exchange for WU-tokens



On decentralized internal exchange, the rate of every loyalty program will be set by market supply and demand



The rate of bonus points will not only point out the efficiency of a loyalty program, but will also indicate the target audience for companies. This approach will allow companies to lower customer acquisition costs and better understand how to adjust their programs



Users are therefore not limited to one single program but can benefit from every brand inside the WULET blockchain ecosystem. Brands will be able to approach all of the users of the WULET



Ecosystem by using different tools such as gamification, native advertising, and personalized reward strategies

Internal Exchange

WULET will implement its own internal exchange, where bonus points of various loyalty programs will be presented. This will allow customers to decide what bonuses they need, and companies to keep those loyalty programs that are already well-known and loved. At the same time, businesses will be able to advertise their bonus programs, increasing brand awareness. Moreover, establishing an internal exchange will attract major players.



On WULET exchange all loyalty points will be traded. Users will be able to change points of one loyalty program to another. This will give customers an opportunity to redeem points timely



WU-token – measurement tool. As dollar proved to be universal currency and measure between other currencies, WU-token will serve as universal measure among loyalty points



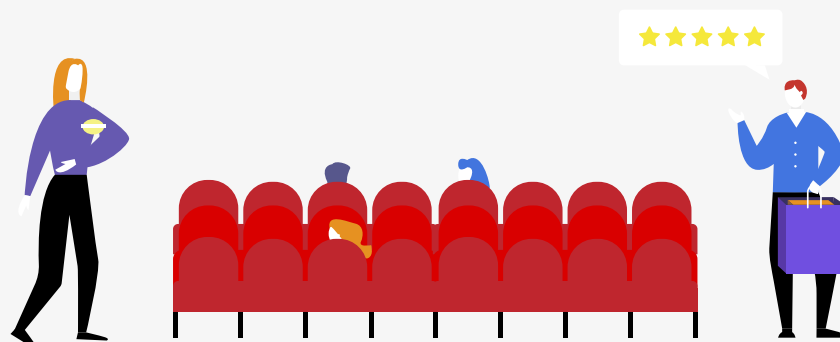
Exchange rate will be set by market mechanism, based on supply and demand levels. Simple and well-tried mechanism will set fair value for every point. In addition, companies can measure effectiveness of their programs using method of comparables



Majority of loyalty points have expiration period, minimal amount for redemption etc. WU-token will play the role of unique liquid asset for saving value



Exchanged points are more likely to be redeemed. Market mechanism is the main mechanism of WULET Exchange. Transaction will be proceeded only when buyer and seller will meet



Value proposition

Business:



Goal:

To create reliable channels of communication with clients and provide the opportunity to estimate the effectiveness of loyalty programs

Proposition:

- WULET will create an exchange to trade bonus points of loyalty programs. Their exchange rate will show its liquidity and the effectiveness of the loyalty program's policy
- The software needed to use the platform will be distributed for free
- At the early stages of project activity, all WULET partners will be offered a limited number of WU-tokens that will later have to be purchased under market conditions

Customers:

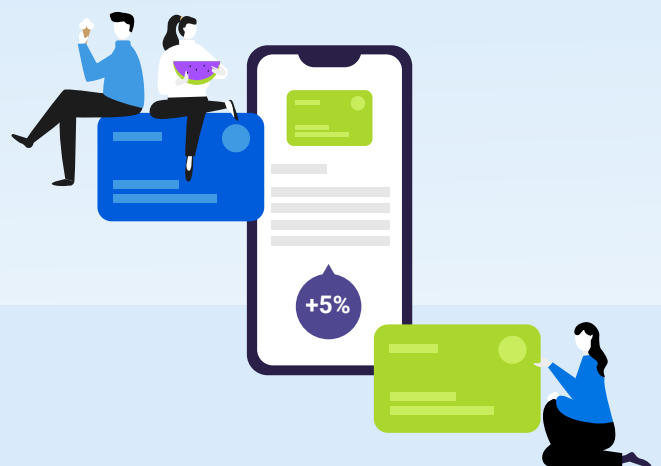


Goal:

To provide clients with a convenient way to use their loyalty bonus points and get rid of unnecessary loyalty cards

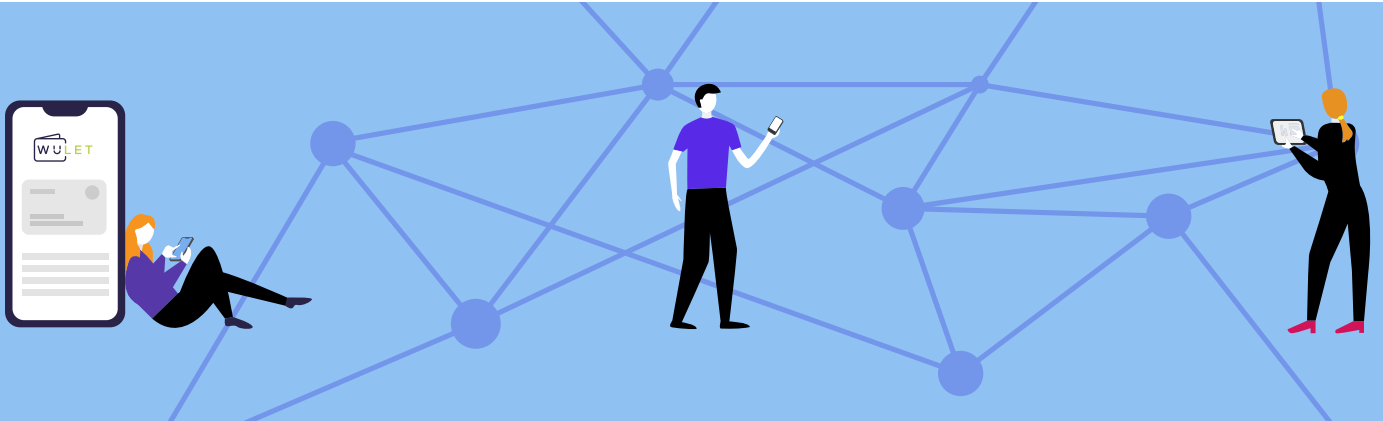
Proposition:

- WULET will create an exchange to trade bonus points of loyalty programs. It will allow clients to trade between loyalty programs of various companies and choose the ones they need most
- After registering in the WULET system, the client will be able to easily purchase the bonus points of any loyalty program launched by WULET partnering companies
- Every client will be able to install the app and register in it for free. The app will combine a wallet, a catalog of partners and will also serve as a client for WULET Exchange



Blockchain Implementation

The digital revolution has transformed the tangible rewards for loyalty to something less tangible. Research shows that today's customers will be more loyal to 'experiences' than to brands, products or companies.

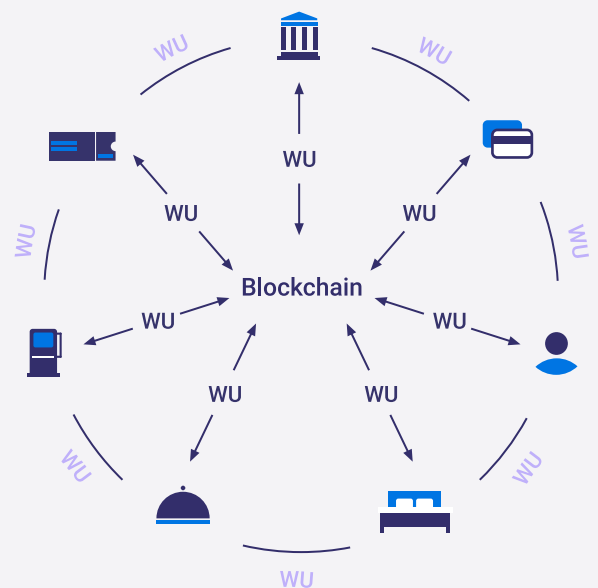


Blockchain technology can provide solutions to shift the nature of loyalty by offering more relevant customer experiences. That is one of the key principles of WULET's mission.

- Customers are ready to accept new technologies on the condition that it will fulfill their demand for more personalization, frictionless experiences, customization, and curation
- This is particularly true among 18 to 24-year-olds who are also more likely to use technologies to engage with a brand⁴
- Blockchain will allow to quickly and safely create, trade, and exchange bonus points by using cryptographic smart-contracts instead of involving other organizations and administrators

We are working on developing the most convenient solutions: a platform for loyalty programs, a mobile application, and tokens.

Blockchain allows to complete and record transactions in real time. Recent research conducted by Bond and CardLinx has shown that clients would like to use received bonuses as soon as possible. That is why the organizations that cannot provide this service run the risk of losing their clients, as they can simply forget about their bonuses.^{4,5}



⁴ The Loyalty Report, Bond, 2018

⁵ Card-Linking and O2O Industry Survey, CardLinx, 2017

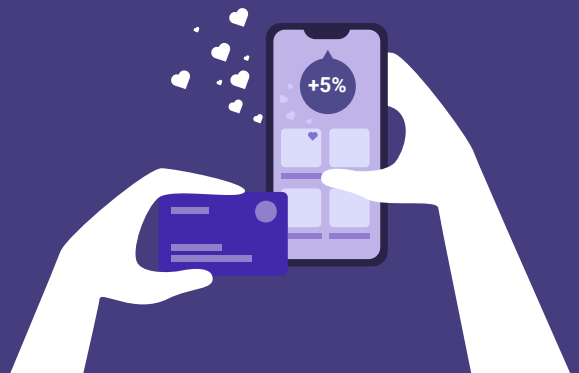
Development of a safe ecosystem based on blockchain



Blockchain records the operations into blocks, making them both permanent and trackable by noting the time when that transaction was completed. In WULET Ecosystem this technology prevents the double spending of loyalty points and other kinds of fraud.

In other words, blockchain-based loyalty programs are not only more resistant to hacking, but also have additional levels of protection that had previously been unavailable.

- Firstly, all loyalty points will be converted to tokens and given identification codes that are extremely difficult to falsify
- Secondly, in order to access and alter the records on the blockchain, one would need to hack over 51% of nodes, which is next to impossible



Advantages of blockchain implementation

	Organizations	Customers
Design	Tokenization of bonus points makes them trackable and unique	A single wallet including all loyalty programs
Implementation	A clear understanding of current, unused loyalty points and where they reside in the loyalty ecosystem	High speed of transaction processing will allow timely use of loyalty points
Customer engagement	A new level of gamification for customers based on personalized and unique advertising	Opportunity to exchange loyalty points and redeem at the right place and time
Programme management	Big Data will provide more insight into customer behavior analysis	Transparent program management reduces the loss of points by expiration or fraud

Architecture

Lets consider the architecture of the WULET ecosystem.

- The platform is a combination of a blockchain and a classic enterprise solution, which integrates them
- For a better understanding of the platform architecture, it is useful to consider it from different angles: external world subjects interaction and platform modules interaction
- It is also useful to present the architecture at different levels of abstraction: from the most general representation to the consideration of particular modules and solutions



Loyalty tokens flow

1

Initially, tokens are emitted by platform partners - organizations whose loyalty programs are integrated with or directly started on the WULET ecosystem

2

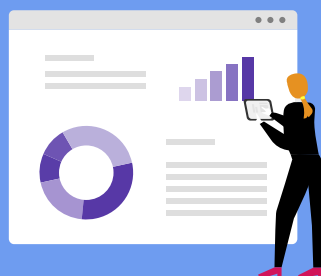
Users can convert these tokens of the loyalty program on the exchange through the platform WU-token

3

Also, the user can generate partial or full payment of the partners' goods by a loyalty token

4

The amount of tokens spent on the purchase of the product comes out of circulation, that is, it "burns out"



5


A partner can also limit the lifetime of loyalty points. In this case, the points are burned after a specified period


Modules overview


Figure 1 presents the partners divided by the integration method: external loyalty systems, in which the loyalty points management and accounting are centralized and internal, fully implemented on the WULET platform. The platform is imagined in the center by a single module in order to simplify the scheme. Applications for users and partners, solutions for integration with payment terminals and E-commerce are painted blue. Private integration solutions and utilities for platform management are painted gray in the diagram below.





Figure 1


 **Wu Platform Smart Contracts** are the key components of the platform, executed as smart contracts on the EOS blockchain. The module is described in detail below. All the interaction among smart contracts and modules is realized through messages in transactions (standard for the EOS approach)

 **Client applications** are web (PWA) and mobile applications (iOS, Android and others) for loyalty token holders. They realize the functions of managing keys, obtaining tokens when making purchases, monitoring the balance of tokens, exchanging tokens through the exchange and paying tokens

 **Partners applications** are web / mobile applications for managing loyalty programs. Applications implement WU-token balance management, Web / POS system integration management, statistical information collection and its representation for convenient management of the loyalty program

 **Integration solutions** are tools for integration with external loyalty systems. The module implements a two-way data exchange between the platform (the External Loyalty contract) and the external loyalty system

 **Web/POS Integration** is a module for integration with payment terminals and E-commerce. This module implements an API by means of which terminals or web-stores can transmit information about the charging of tokens or write-offs in the purchase offset. The API has mandatory authorization, which is configured in the personal account of the partner

 **Admins tools** is a set of tools to simplify the management of the platform: creating tokens - partner loyalty points, managing WU-tokens, updating platform contracts and more

Implementation selection

Blockchain selection

- Various blockchain platforms could be taken as the basis of the decentralized solution
- Private blockchain will make it possible to implement almost any business logic and achieve high platform performance, but will not give the necessary confidence from partners and users
- Therefore, the use of public blockchain is always more preferable
- Among all public blockchains, only those that support smart contracts that are unlimited in functionality (the so-called Turing-complete ones) are suitable for implementing the platform
- Another important criterion is the prevalence of the detachment – if the blockchain is not popular, then its publicity may be insufficient and the consensus is vulnerable to the attacks of the majority

All these criteria significantly narrow the choice of a suitable blockchain.

EOS

EOS has a number of features, favorably distinguishing it from other blockchain systems:

Scalability



The bandwidth of the EOS network is already about 5000 transactions per second. In the near future this value will increase 10 times. Moreover, the network parallelizing will allow users to scale the network up to a million transactions per second. In addition, EOS supports asynchronous communications and the separation of authentication from execution.

Flexibility



If an error is found in the EOS application, the block manufacturers can freeze it for the time of correcting this error, and then update the code without any forks and stops of other network applications. In addition, EOS allows the node not to have the full state of the entire block, but only the data that is needed.

Management



In the EOS token holders choose block manufacturers, which increases the degree of mutual trust. In case of disputes, they are resolved by a majority of votes.

Usability



EOS includes a set of web tools for developing interfaces, self-described interfaces and database schemes, as well as a declarative permissions scheme that allows users to easily delegate permissions to other accounts.

ERC20 WULET Token

WU-tokens are the provision for loyalty points on the platform. The WU-token itself is provided with the capital of the WULET platform. Initial capital will be attracted through ICO, conducted on the Ethereum platform.

Initially, the ERC20 WULET token contract will have the ability to "withdraw" the token from the turnover of the Ethereum network to the EOS network using the method of locking tokens with confirmation.

WULET expansion

WULET is an international project. Its main goal is to popularize the use of cryptocurrency in everyday life, and also make participation in loyalty programmes more convenient. The speed of expansion may vary depending on the funds raised during the entire campaign.



THE WULET TEAM FORECASTS 3 SCENARIOS OF PROJECT DEVELOPMENT: CONSERVATIVE, REALISTIC AND AGGRESSIVE.

CONSERVATIVE SCENARIO:

In the event that the softcap is reached, the WULET team will concentrate on developing and perfecting the project in the the **CIS countries**, aiming at further geographic expansion funded by operational profit.

REALISTIC SCENARIO:

As for the realistic scenario, WULET will have the opportunity to not only develop the product and test it in a selected region, but also to expand to the countries of the **CIS countries and Asia** immediately after successful testing of the service.

AGGRESSIVE SCENARIO:

In the event that the hardcap is reached, WULET will be able to enter developed markets, such as **the US, the United Kingdom and the European Union**, and take up reputable positions because of the emerging marketing opportunities. Intensive expansion will reach a wider audience, significantly increasing the level of supply and demand on the exchange



Ecosystem overview

Popularity of WU-token

Popularity of WULET Ecosystem will increase popularity of WU-token

- Conditions of market of loyalty programs show positive signs. The market value of loyalty points exceeds \$500 billions and this number grows from year to year
- We assume WULET's market share will grow both in relative and in absolute value. The popularity of WULET will attract major clients to ecosystem, which will attract more and more customers

The expected share of points going through WULET Exchange is presented as follows:

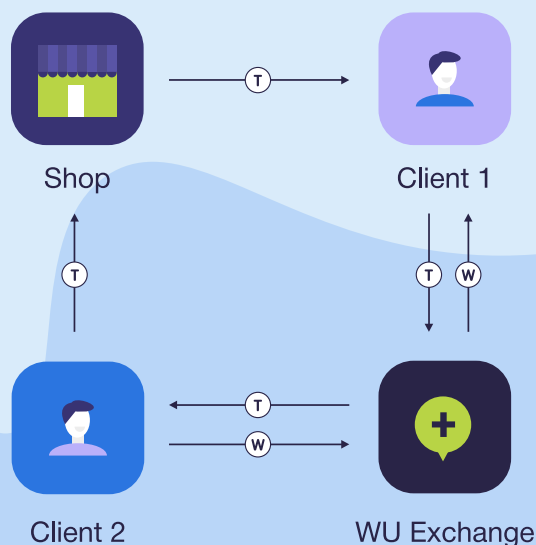


The last, but not the least, growing popularity of cryptocurrencies will also ease the access of ordinary users to the platform.

ECOSYSTEM PARTICIPANTS

WULET Ecosystem will include the following parties:

- The platform
- Contractors
- Clients



The Platform

A unified complex of services that offers instruments for cooperation between

Clients and Contractors and fixes the terms of that cooperation.

The platform roles include:

- Exchange of loyalty points of different companies
- Application for storing cards
- Catalog of companies-partners
- Providing data analysis

Contractors

Partner of the platform, who runs loyalty program and accrues bonus points to its clients.

The contractor roles include:

- Loyalty points issuer
- Loyalty points consumer
- Buying data analysis from the platform

Clients

Users that purchase goods and services from the Contractors of the Platform.

The client roles include:

- Exchanging loyalty points
- Holding WU-tokens
- Visiting contractors
- Using application

How does the token work?

On WULET platform WU-token can be used to pay:



In WULET Ecosystem WU-token will have several roles.

In order to exchange bonus points, users will have to pay fee for proceeding transactions. Necessity to pay fee only in WU-tokens means that with growing popularity of WULET Exchange, demand on WU-tokens will also grow. We assume, that this operations will be the main source of WU-token velocity.

Fees on WULET Exchange

<i>Maker</i>	<i>Taker</i>	<i>Volume in WU (30 day period)</i>
1%	1%	< 12800
0,80%	0,96%	< 25600
0,64%	0,80%	< 51200
0,32%	0,64%	< 204800
0,16%	0,32%	< 409600
0,08%	0,24%	< 819200

- Fees for exchanging is not the only usage of WU-token. Companies willing to run their LP from the scratch on WULET Ecosystem will have to pay for this service in WU-tokens
- WULET Ecosystem will also provide companies with huge possibilities for accessing Big Data collected during operations, but partners will have to pay some amount of WU-tokens for such service

Token sale parameters

Why do a token sale?

Despite the existence of functioning loyalty services, the attracted funds will help create a platform with an open source code, which can then be used by any b2b services.

Presale stage

The presale is private and intended for early participants. To support the project, please sign up at WULET.io. Funds attracted during the presale will be taken into account in the total campaign acquisitions. It will not be possible to withdraw tokens until the end of all the stages of the campaign.

Timeline:

Current stage:	Public Sale:	Time of stage change <i>(including the change of bonus periods):</i>
Private Sale	Coming soon	14:00 UTC

Token sale parameters:

We accept:	Exchange rate:
ETH, BTC, LTC	1 WU = 0,001 ETH
Softcap:	Hardcap:
8 000 ETH	49 000 ETH <i>(but not less than \$15 millions)</i>

Total supply (including all manner of bonuses):	91 000 000 WU <i>There will not be an additional issue.</i>
-------------------------------------------------	-----------------------------------------------------------------------


WU token crediting

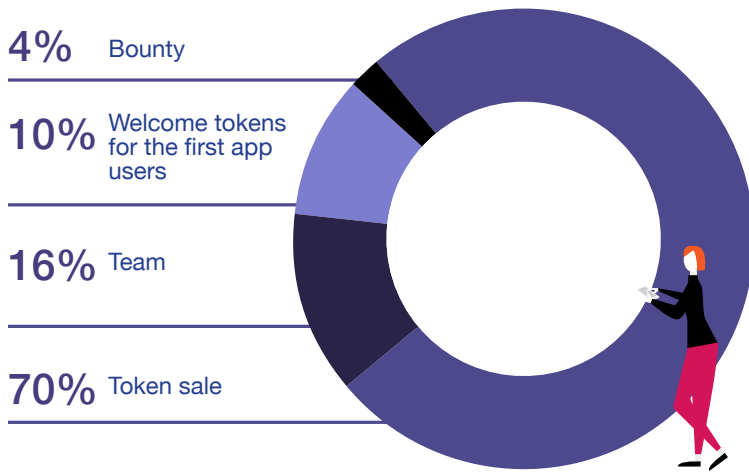
- ERC20 standard tokens will be issued during the token sale
- Token export is possible onto any ERC20-compatible wallet
- Participant contribution will be displayed as the balance in their personal profile
- After the end of the campaign, the necessary number of native tokens will be emitted and distributed among the participants according to their contributions and accrued bonuses

Limits

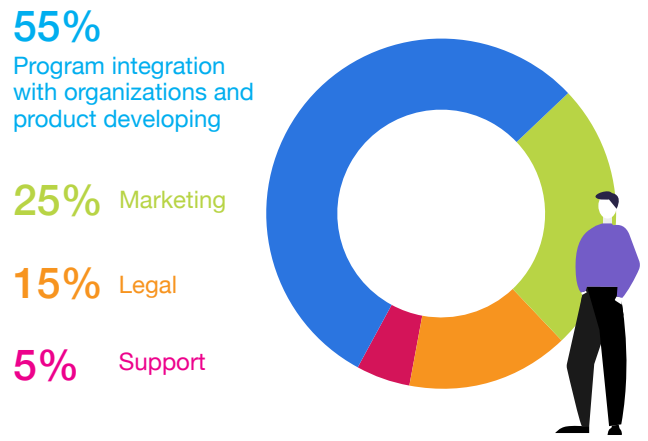
● Minimum purchase amount:
1 ETH

● Maximum purchase amount:
Unlimited

 *It will not be possible to withdraw tokens before the end of the entire campaign.*



Token distribution



Attracted funds distribution

From the total amount of WU-tokens issued, 16% are reserved for the team, 4% will be directed towards the bounty campaign, 10% for strategic partners and 70% will be distributed during the crowdsale. Unsold tokens will not be issued.

- *In the case softcap is not reached, the campaign will be considered unsuccessful and all funds will be refunded in full*
- *In the event that the softcap is reached, but the hardcap is not, the token sale will be considered successful, but the project development will be limited in regard to location*
- *The token sale will be successfully completed when the goal of 49 000 ETH is reached*

Personal profile — participant’s dashboard

To participate in the campaign, it is necessary to register a token sale participant profile.

Each participant will create a personal profile, where it will be possible to monitor relevant information about the crowdsale, see their personal contribution in the campaign and the bonuses they have received, download a referral link, and find the addresses of deposit wallets in each of the accepted currencies.



Each participant need to pass the KYC/AML procedure.

Roadmap



2Q 2017

Idea of WULET:
Digging into problems
of loyalty programs

4Q 2017

- Developing a Blockchain architecture for the project
- Developing a technical paper for the project



2Q 2018

- Partnering with international companies (TeachmePlease.com, Tony&Guy, GoPro etc.)
- Developing an EOS-based MVP with partners



4Q 2018

- Starting a Private Sale
- Releasing an App with 50+ organisations
- World road show in 20+ countries
- Reporting results of MVP testing



2Q 2019

Releasing plug&play integration mechanism for partners



4Q 2019

Releasing a final version of WULET



Team

The WULET team are like-minded professionals with extensive experience in IT, development, design, and logistics



Alexander Tkachev

CEO

Graduate of Saint-Petersburg State University. Former Business Development Director of TeachMePlease. Co-creator of TargeAd advertising agency. Delivering WULET blockchain ecosystem as a «blue ocean» of possibilities for loyalty programs worldwide.



German Domanskii

COO

Graduate of the Hague State University, creator of the Foodism app that was launched in mid-2017. Idea inspiration, concept, functionality.



Alexey Popov

CTO

Owner of Aveas Media IT studio. Over 13 years in experience in website, mobile app, and video game development. Technical support, development.



Leonid Strimovsky

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Owner of several international logistics companies. Financing.

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