

# **Digital Token Innovation and Applications for a Thai Brokerage Firm**



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**Bachelor of Engineering in Financial Engineering  
School of Engineering  
King Mongkut's Institute of Technology Ladkrabang  
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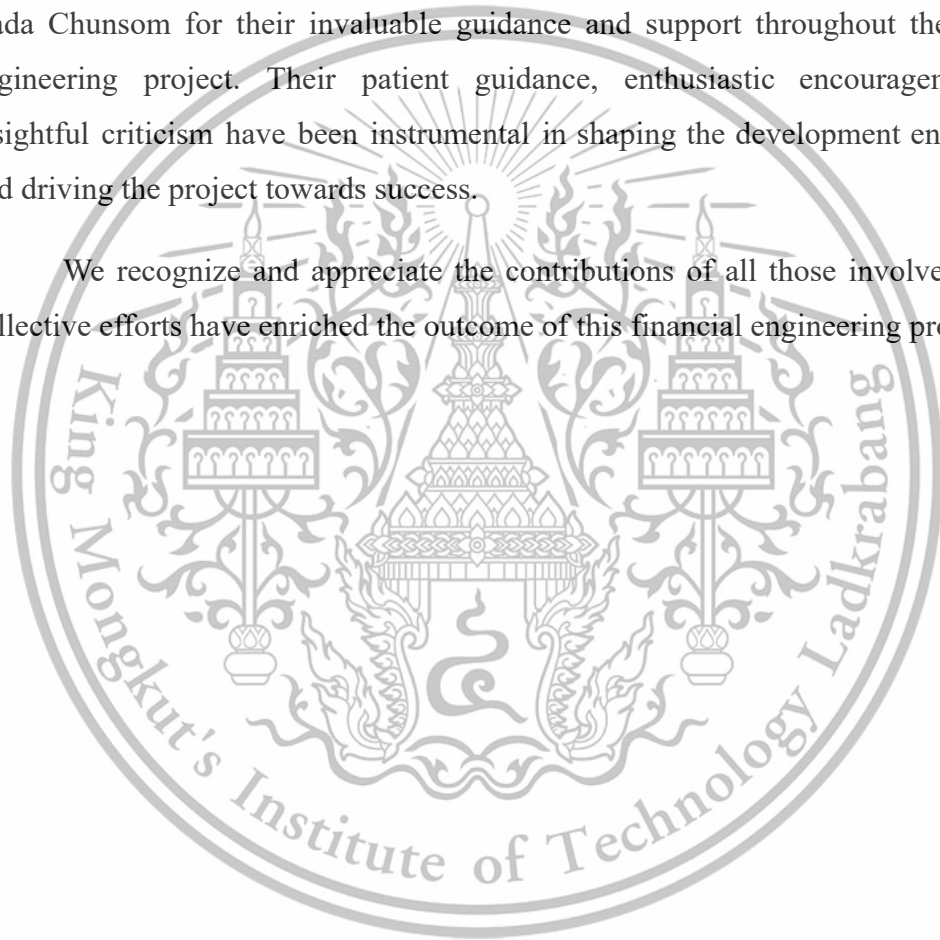
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## Abstract

Our financial engineering project aims to explore the potential of digital token innovation and its applications within the context of a Thai brokerage firm. As the securities industry is going through a rapid digital transformation, this research seeks to identify opportunities where digital tokens can revolutionize traditional practices for growth and customer engagement. Through consultations with industry experts, the project investigates the specific needs and challenges faced by the brokerage firm, highlighting areas where digital tokens can provide tangible benefits. The research also examines potential use cases, including asset tokenization, fractional ownership, and loyalty programs.

Ultimately, this project aims to provide the brokerage firm with actionable insights and a roadmap for implementing digital token solutions, enabling them to stay at the forefront of digital innovation in the securities industry, enhance customer experiences, and drive sustainable business growth.

This project was conducted in collaboration with a Thai securities firm whose name shall not be disclosed.

# Table of Contents

|  |           |
|--|-----------|
| <b>Chapter 1 Introduction</b>  | <b>10</b> |
| 1.1 Motivation   | 10        |
| 1.2 Objectives   | 11        |
| 1.3 Scope of Work  | 11        |
| 1.4 Thesis Structure   | 12        |
| <b>Chapter 2 Literature Review</b>   | <b>13</b> |
| 2.1 Problems of traditional brokerage firms  | 14        |
| 2.2 Digital token technology   | 16        |
| 2.2.1 Member club token  | 17        |
| 2.2.2 The cost of club token   | 18        |
| 2.2.3 The cost of the process for creating a member club token                             | 18        |
| 2.2.4 Example of member club token that successfully                                       | 20        |
| <b>Chapter 3 Background Knowledge</b>  | <b>22</b> |
| 3.1 Traditional brokerage firm   | 22        |
| 3.2 The increasing interest of investors in digital tokens                                 | 23        |
| 3.3 How to increase the number of investors by using the utility token                     | 24        |
| 3.4 Loyalty Programs in Thailand   | 26        |
| 3.5 Hatch  | 27        |
| 3.6 Rules and Regulations by SEC   | 28        |
| 3.7 Financial Keywords   | 30        |
| 3.8 Ecosystem and Loyalty Program  | 33        |
| 3.9 Example of a Loyalty program with Blockchain   | 33        |
| <b>Chapter 4 Results and Discussion</b>  | <b>36</b> |
| 4.1 The new design a loyalty model for a traditional brokerage firm without self-investing | 40        |
| 4.2 The Hatch for partners   | 45        |
| 4.3 Whitepaper   | 46        |



# List of Figures

|   |    |
|---|----|
| Figure 4.1 The First Tokenomic Design for The Loyalty Program           | 36 |
| Figure 4.2 The growth rate of Average Volume Growth base on revenue     | 39 |
| Figure 4.3 The new using model of the loyalty token                     | 42 |
| Figure 4.4 The receiving of the loyalty token of the customer           | 43 |
| Figure 4.5 The using of token between the partner and publisher company | 43 |
| Figure 4.6 The ecosystem of the loyalty token                           | 46 |



# List of Tables

Table 4.1 Token allocation proportion

47



# Chapter 1

## Introduction

### 1.1 Motivation

Digital tokens, based on blockchain technology, have gained mainstream acceptance in recent years and are emerging as a powerful tool for creating innovative loyalty programs. The secure and transparent nature of digital tokens provides an excellent platform for tracking customer rewards and incentives. The financial sector, including Thai brokerage firms, can benefit from the potential of digital tokens to revolutionize loyalty programs and enhance customer satisfaction. The Thai Securities and Exchange Commission has approved digital tokens for fundraising and trading, providing an exciting opportunity for brokerage firms to explore the potential benefits and applications of digital tokens in loyalty programs and other areas of finance.

Making customers feel like they are a part of the company is critical for building trust and loyalty. This is crucial for brokerage firms because no matter how good their operations or products are, without trust and loyalty from customers, they will not choose to invest or trade with the brokerage. One way to achieve this is by making the brokerage look attractive and providing customers with a good trading experience. Additionally, creating a sense of community and belonging within the brokerage can also help customers feel like they are a part of the company. This can help the brokerage build stable, long-term relationships with its customers and ultimately drive business success. For this reason, our group proposed an introduction of the member club token.

First, the member club token is the idea of creating a member club token for traders who trade with the brokerage. This token would allow traders to access various benefits based on their level within the club. Each level would offer different

perks and rewards, providing incentives for traders to continue trading with the brokerage and helping to build loyalty and trust. This can be a useful tool for the brokerage to attract and retain customers, ultimately driving business success.

## 1.2 Objectives

In this project, we will investigate the current state of digital token innovation and applications in the Thai brokerage industry. We will analyze the regulatory framework, market trends, and competitive landscape, as well as conduct interviews with industry experts and stakeholders. Based on our findings, we will provide recommendations on how Thai brokerage firms can leverage digital tokens to enhance their services and stay ahead of the competition. In addition, we are committed to applying our knowledge from various fields such as IT, economics, marketing, and more to tailor them to the specific needs of the company we work with. This is to ensure that we can optimize the potential of the products we provide and make them more suitable for the operating styles of our partner company.

Overall, this project aims to shed light on the opportunities and challenges of digital token innovation in the Thai brokerage industry and provide practical insights for firms looking to enter this exciting and rapidly evolving space.

## 1.3 Scope of Work

The scope of this project can be listed as follows:

1. To gather insights from traditional brokerage companies for using technology to enhance their service capabilities, improve client satisfaction, and attract new investors.
2. To study the use of blockchain technologies, particularly digital token technology.
3. To utilize digital tokens as a benefit or reward for customers.

4. To adapt our products to the financial market and the operational activities of the company, in order to attract new customers and retain existing ones to continue using our products and services.

## 1.4 Thesis Structure

This thesis consists of five chapters which are arranged as follows:

- Chapter 1 Introduction - introduces the motivation, objectives, scope of work, and thesis structure of this thesis.
- Chapter 2 Literature Review – proposes the literature survey that is relevant to this project, and comparison.
- Chapter 3 Background Knowledge – explains the knowledge that is used in the research.
- Chapter 4 Results and Discussion – shows the results obtained from our research and discusses those results.
- Chapter 5 Conclusion – concludes the results

## Chapter 2

### Literature Review

A digital token is an electronic data unit that is created to determine the right to acquire products and services. A utility token is a type of digital assets that can be used to access a product or service. These tokens are often issued by companies as part of an initial coin offering (ICO) and are designed to be used within the company's ecosystem. Unlike cryptocurrencies, which are typically designed to be used as a medium of exchange, utility tokens are intended to provide users with access to specific features or services. They are not necessarily intended to be used as a form of currency.

The discount token is a feature that provides users with a discount on their purchases when paying with the platform's token. It is a popular feature among users. Additionally, the token can also provide users with access to higher levels of service or membership if they hold or stake a specific number of tokens. To access more advanced tools, users are required to stake a predetermined number of tokens [18].

The intention of this design is to incentivize investors by reducing the speed at which the token circulates while increasing demand for its use. However, it is important to be cautious as this mechanism is designed for customers to make multiple small transactions over time, which could lead to a larger number of tokens being used at once. Therefore, before implementing discount tokens, it is important to carefully consider if your company is prepared to handle a potential influx of users paying with tokens and adjust the payment process accordingly. Proper planning and management is crucial to avoid any potential negative impact on the company's financial stability [18].

The member club token has several potential benefits, such as increasing its usage and appealing to investors by incentivizing loyalty and early adoption. Additionally, it can be easily combined with other factors to provide a comprehensive investment experience. However, it also has some drawbacks, including the possibility of high costs to future revenues, exposure to volatility that may discourage membership, and the potential for changing hold requirements that could upset users and investors. While these challenges need to be carefully considered, our exploration of traditional brokerage practices and digital tokens has allowed us to develop advanced technology that addresses these potential issues and provides a well-rounded solution for investors.

We have developed the concept of a member club token, which will serve as a utility token for investment purposes. This token will be utilized to incentivize loyalty and reward customers. The token can be used by investors as investment units, with a design aimed at attracting early adopters and appealing to investors. However, we have considered the potential drawbacks such as the high cost to future revenues and exposure to volatility, which may discourage membership. We have also identified the possibility of changing hold requirements, which could upset users and investors but may be necessary as conditions change. We have thoroughly examined traditional brokerage in Thailand and digital tokens to develop advanced technology that addresses any potential issues associated with their use.

## **2.1 Problems of traditional brokerage firms**

Traditional brokerage firms face a variety of challenges that can impact their business and profitability. These challenges include increased competition, changing customer preferences, regulatory changes, and technological disruption. After conducting an analysis, we have found four main problems that traditional brokerage firms are facing: data security, financial advisory, high-competition businesses, and homogeneity of services.

Data security is an important concern for companies, as cyber-crime and other risks can put their data at risk [12]. In recent years, the number of cyber-attacks and data breaches has increased dramatically, making it more important than ever for companies to take steps to protect their data. One way that companies can do this is by using private blockchain technology, which allows for secure, decentralized storage and management of data. Private blockchain can provide an additional layer of security for companies, as it allows them to control access to their data and track any changes or updates made to it. By using private blockchain, companies can help protect themselves and their customers from the negative effects of data breaches and other security risks [11].

The financial advisory industry has seen a decrease in revenue in recent years. This decline could be due to several factors, such as a downturn in the stock market, increased competition from other firms, or changes in economic conditions that have affected the demand for financial advisory services. Additionally, the financial advisory firm itself may have made changes to its business strategy that have contributed to the decrease in revenue. A potential factor behind the decrease in revenue for financial advisory firms is that more people are taking control of their own investment decisions [7].

Brokerage firms are typically high-competition businesses because there are many different firms offering similar services, such as buying and selling stocks, bonds, and other investments on behalf of clients. These firms must compete with each other for clients and business, which can lead to a high level of competition. In order to stand out from the competition and attract clients, brokerage firms may offer unique services or competitive pricing. The success of a brokerage firm depends on its ability to provide value to its clients and stay ahead of the competition.

Homogeneity of services refers to the lack of diversity or variety in the services offered by brokerage firms. In other words, many brokerage companies offer similar services, such as trading stocks, bonds, and other financial instruments. This can lead to a situation where customers have limited options when it comes to choosing a brokerage firm, as the services offered by different companies are often

very similar. This lack of diversity in services can make it difficult for brokerage firms to differentiate themselves from their competitors and can make it challenging for them to attract and retain customers. To address this issue, some brokerage firms may choose to diversify their services and offer unique or specialized products and services that are not available from other firms. This can help them stand out in a crowded marketplace and differentiate themselves from their competitors.

## 2.2 Digital token technology

A digital token is a representation of a digital asset or utility that is often built on top of a blockchain or other decentralized technology. There are 2 different types of digital tokens, investment tokens and utility tokens. Investment tokens, also known as security tokens, are digital assets that represent ownership in an underlying asset or company and can be bought and sold on various exchanges. Utility tokens, on the other hand, are digital assets that provide users with access to specific products or services, such as access to a decentralized network or platform. Unlike investment tokens, utility tokens are not intended to be investments and do not provide ownership in an underlying asset or company.

An initial coin offering (ICO) and an initial public offering (IPO) are both forms of fundraising that companies can use to raise capital. An ICO involves the sale of digital tokens to investors, whereas an IPO involves the sale of shares of a company's stock. One key difference between ICOs and IPOs is the type of assets being sold. In an ICO, the company sells digital tokens that are often based on blockchain technology, whereas in an IPO, the company sells shares of its stock. Additionally, ICOs are generally not subject to the same level of regulatory oversight as IPOs, which are heavily regulated by the Securities and Exchange Commission (SEC) in Thailand. As a result, ICOs are often considered to be riskier investments than IPOs [\[23\]](#).

Using a token on a private blockchain can help a securities company in several ways. First, using a token can enable the company to track and manage its assets,

including stocks, bonds, and other investments easily and securely. This can help the company improve its efficiency and reduce the risk of errors or fraud. Additionally, using a token can also make it easier for the company to manage its transactions and track the movements of its assets, providing greater transparency and accountability.

To create a token on a private blockchain, the company would first need to decide on the specific blockchain platform that it wants to use. Some popular options for private blockchains include Ethereum, Hyperledger Fabric, and Corda. Once the company has selected a platform, it can use that platform's tools and resources to create and issue its own custom token. This typically involves defining the properties of the token, such as its name, symbol, and total supply, as well as any rules or limitations on how the token can be used or transferred. The company can then use the token to represent and manage its assets on the blockchain.

### 2.2.1 Member club token

#### Token Design Process

The token design process involves selecting a consensus mechanism, designing the blockchain architecture, conducting an audit of the code to identify vulnerabilities, verifying compliance with legal requirements, and publishing the final product. In this case, the chosen consensus mechanism is Proof-of-stake on a private and permissioned blockchain. The legal compliance verification process includes checking for any violations of Thai SEC laws and obtaining verification for the utility token from the SEC.

Member club token uses a digital token based on the Ethereum blockchain as a utility token, which is ready to be used. We may limit the total number of tokens issued or destroy some of them when they are used to claim discounts or other perks from our brokerage or partner companies in order to increase the token's value. Member club tokens can also be seen as a form of investment.

We intend to list the member club token on the secondary market of a digital asset exchange in order to increase its liquidity. This will help attract investors and increase the token's popularity and standardization in the cryptocurrency market. Initially, we will list the token on an exchange that is licensed to operate in Thailand and may also consider listing it on exchanges in other countries and on decentralized exchanges in the future.

There are several ways for traders to acquire member club tokens, including by generating trade volume, purchasing investment funds, opening accounts, or participating in events that offer tokens as rewards.

The member club token has no inherent monetary value and cannot be used to establish the holder's property rights. It cannot be purchased, sold, transferred, or exchanged for cash, nor transferred to another user in any way.

### 2.2.2 The cost of club token

The token to be created has associated costs. These costs include the cost of producing and maintaining the blockchain, as well as the cost of creating a benefit condition for customers interested in the benefits that we offer. We must assess the initial operating costs to determine the income and expenditure from this process to save the costs. One strategy is to find a partner for certain products or services that we are unable to produce at the outset. By partnering with another company, we can reduce the costs associated with these products or services. Additionally, identifying the types of costs that we will incur can help us plan and budget accordingly.

### 2.2.3 The cost of the process for creating a member club token

- Producing cost
- Blockchain technology cost (This percentage of cost refers to the expenses related specifically to the use of a blockchain platform.)

- Consulting cost 10%
- Designing cost 15%
- Development cost 50%
- Quality assurance cost 25%
- Deployment and 3rd party cost
  - Private blockchain: ~\$1500/month - Public Blockchain: \$0.01/transaction-based for public blockchain + ~\$750 for 3rd party [20].
- Maintenance cost (around 15% to 25% of the overall project cost)
- Benefit and offer cost

The cost of developing a blockchain application can vary widely, with prices ranging from \$5,000 to \$200,000 [14].

The cost of producing and maintaining a blockchain can vary depending on several factors, such as the size and complexity of the network, the number of transactions being processed, and the level of security and reliability required. In general, producing a blockchain from scratch can be a costly and time-consuming process, and it's important to carefully assess the potential costs and benefits before embarking on this type of project.

Once the blockchain is up and running, there will be ongoing maintenance costs associated with keeping the network secure and reliable. This can include things like paying for server space and electricity, as well as hiring personnel to monitor and maintain the network.

In addition to these costs, there may also be costs associated with creating a benefit condition for customers who use the club token. This could include things like offering discounts or other perks to customers who use the token or investing in marketing and advertising to promote the token and the benefits it offers.

Overall, it's important to carefully assess all the potential costs and benefits associated with creating a club token in order to determine if it is an unfeasible and profitable venture. By carefully analyzing the costs and potential benefits, you can make an informed decision about whether to proceed with the project.

However, according to research conducted by Brand Inside, it was found that 71% of Thai companies have invested in Customer Relationship Management (CRM), allocating 4% of their revenue [5].

## 2.2.4 Example of member club token that successfully

### **The1 Card by Central Group**

The 1 is the largest loyalty platform in Thailand, boasting a membership base of over 17 million people, which accounts for approximately 25% of the country's population. It aims to become the go-to lifestyle platform that comprehends its customers' needs and offers a diverse range of options to suit every lifestyle. The 1 achieves this by building a robust business ecosystem comprising over 1,000 partners and an extensive network of 20,000 service points [2].

### **Esso Smiles by Esso Fuels**

Esso Fuels Thailand operates multiple loyalty programs known as Esso Smiles, with the prominent one being the Esso Smiles Driver Rewards program. Members of this program have the opportunity to accumulate points on their card with no limitations whenever they choose to refuel at Esso stations. These points can be redeemed not only at fueling stations but also at supermarkets, for purchasing airline tickets, and when engaging with alliance partners. In addition, they offer rewards for participating in additional activities and exclusive promotions. Furthermore, Esso provides complimentary 24-hour roadside assistance to ensure that no one experiences inconvenience due to vehicle repairs. Esso's services are also available to fleet businesses in Thailand, offering Esso fleet cards for their convenience [21].

## **Royal Orchid Plus**

Royal Orchid Plus is the customer loyalty program of Thai Airways, offering members the opportunity to earn miles through various activities. Members can accumulate miles by flying with Thai Airways, as well as with Star Alliance partners across an extensive global network, and a wide range of travel and financial partners affiliated with the program.

These earned miles can be redeemed for a variety of Awards, including air travel and upgraded experiences with Thai Airways and Star Alliance partners, hotel stays, as well as lifestyle and promotional rewards.

Members who achieve Frequent Flyer, Silver, Gold, and Platinum status are entitled to a host of exclusive benefits and priority services. These perks include priority reservations, check-in, baggage handling, generous baggage allowances, access to airport lounges, complimentary upgrades, and more, all depending on the member's status level.

With over 3 million members worldwide, Royal Orchid Plus has gained acclaim for its exceptional Awards, benefits, and the recognition it provides to its members. Membership is free, and interested individuals can instantly join the program online today, gaining immediate access to its extensive benefits and rewards [\[22\]](#).

# Chapter 3

## Background Knowledge

The objective of this chapter is to improve understanding of the project by presenting relevant background information, which has been divided into four distinct sections.

### 3.1 Traditional brokerage firm

A traditional brokerage firm serves as a mediator between buyers and sellers of financial instruments such as securities. To facilitate successful transactions, they charge a commission to both parties [21]. In addition to this intermediary role, brokerage firms often provide guidance and advice to their clients on which stocks to buy and sell, as well as the risks and potential impact on their investment portfolio. They typically employ multiple brokers who work closely with clients to ensure that their investments align with their goals and needs. It is essential to have a broker to assist with purchasing stocks, bonds, and mutual funds, as they have the necessary licenses and expertise to guide investors in making informed decisions [3].

#### Key takeaways

- The main role of a brokerage firm is to serve as an intermediary between buyers and sellers, helping to facilitate transactions.
- Full-service brokers typically charge clients an annual fee or per-transaction fees for their services.

- Online brokers provide a certain number of free stock trades, but they may charge fees for additional services.

The distinction between full-service brokers and online discount brokers is becoming less clear, as full-service brokers develop mobile apps and online discount brokers introduce services that require fees [10].

## 3.2 The increasing interest of investors in digital tokens

Tokens have become increasingly popular among investors for several reasons. In the investment context, tokens usually refer to cryptocurrencies or digital assets built on blockchain technology. The following factors have contributed to the growing interest and involvement of investors in tokens:

- **High potential for returns:** Tokens have the potential to offer substantial returns on investment, which is a significant attraction for investors. The cryptocurrency market has witnessed significant growth and volatility, presenting opportunities for investors to generate substantial profits.
- **Accessibility:** Investing in tokens is relatively accessible to a wide range of investors. The advancement of technology and the availability of numerous cryptocurrency exchanges and trading platforms have made it easier for investors to buy, sell, and trade tokens with minimal barriers to entry.
- **Liquidity:** Tokens are generally highly liquid assets, meaning they can be easily converted into cash or other cryptocurrencies. This liquidity appeals to investors who prefer to have flexibility in managing their investments and can quickly enter or exit positions.
- **Innovation and potential disruption:** Tokens often represent projects or platforms that utilize blockchain technology, which has the potential to disrupt various industries. Investors are drawn to tokens because of their potential to offer innovative solutions and disrupt traditional systems.

- **Decentralization and transparency:** Blockchain-based tokens offer decentralized and transparent systems, which can help build trust among investors and reduce the need for intermediaries. These tokens operate on public ledgers, enabling investors to have increased visibility into transactions and the overall state of the network.
- **Initial Coin Offerings (ICOs) and token sales:** ICOs and token sales have been popular fundraising mechanisms for blockchain projects. These events allow investors to participate in the early stages of a project by purchasing tokens directly from the issuer. Regulatory measures have evolved to ensure investor protection and compliance, which has increased investor confidence in these fundraising mechanisms.

Investors must be aware that investing in tokens involves potential risks, such as market fluctuations, uncertain regulatory frameworks, and security vulnerabilities. Before participating in token investments, investors are advised to conduct extensive research, assess their risk tolerance, and seek expert guidance.

### 3.3 How to increase the number of investors by using the utility token

To attract investor interest in a utility token, there are several strategies you can implement. Here are some essential steps to consider:

**Solidify the Utility:** It is crucial to ensure that your utility token serves a clear purpose within your project or platform. The token should offer tangible benefits or functionalities to token holders, such as access to exclusive features, discounts, or voting rights. By providing these concrete advantages, you enhance the value proposition of your utility token and attract investors who see the practical utility and potential for growth. Clearly communicate these benefits to potential investors, highlighting how the token enhances user experience or provides unique advantages within your project or platform.

**Develop a compelling use case:** It addresses a real problem or improves an existing process. To attract potential investors, it's essential to clearly communicate the value proposition of the token and how it enhances user experiences. By emphasizing the benefits of the token and demonstrating how it solves a particular issue, investors are more likely to see the value in the investment and be more willing to participate in the project. This requires a solid understanding of the market and target audience, as well as strong communication skills to effectively convey the value proposition.

**Transparent Documentation:** It is essential to provide comprehensive and transparent documentation regarding your project. This documentation should include detailed information about the tokenomics, token distribution, and the team responsible for the project. Investors need to understand the token's fundamentals and how it aligns with your project's goals to make informed investment decisions. Proper documentation is a key component in establishing investor confidence and trust in the project.

**Build a Strong Community:** To foster an engaged and active community around your utility token, it is important to utilize various communication channels effectively. Social media platforms, forums, and other channels can be valuable tools for interacting with potential investors. Regularly engaging with the community helps to maintain their interest, build trust, and establish a strong support network.

**Tokenomics and Token Sale:** When designing the token economics, it is important to carefully consider strategies that incentivize long-term holding and create scarcity. This can be achieved by implementing mechanisms such as staking, lock-up periods, or token burning. It is also crucial to ensure a fair distribution of tokens, avoiding concentration in the hands of a few individuals or entities. Additionally, if you plan to conduct a token sale or Initial Coin Offering (ICO), it is essential to comply with regulatory requirements to maintain transparency and legality in the process. This will help build trust among investors and contribute to the long-term success of your project.

**Regulatory Compliance:** Ensuring compliance with relevant securities laws and regulations is essential for building investor confidence and attracting institutional investors. By demonstrating a commitment to operating within the legal boundaries, you create a trustworthy and transparent environment for potential investors, which can lead to greater participation and support for your project.

**Marketing and Public Relations:** To boost awareness of your utility token, it is essential to create a comprehensive marketing strategy. This strategy should incorporate various marketing channels, such as digital advertising, content marketing, influencer collaborations, and media outreach. By utilizing these channels effectively, you can effectively reach your target audience and enhance the visibility of your utility token.

**Continuous Development and Updates:** it is crucial to showcase your project's dedication to ongoing improvement. It is essential to keep investors informed about the milestones achieved, product enhancements, and future plans. Regular updates demonstrate active progress, fostering long-term investor engagement and confidence in the project.

### 3.4 Loyalty Programs in Thailand

Loyalty Programs in Thailand pertain to a range of initiatives and schemes introduced by businesses and organizations in the country with the goal of stimulating customer loyalty and promoting repeat purchases. These programs are specifically structured to acknowledge and reward customers for their ongoing support, aiming to cultivate enduring relationships with the brand.

In Thailand, loyalty programs are widely adopted across diverse industries, including retail, hospitality, banking, and airlines. These programs commonly involve the distribution of loyalty cards or membership programs that enable customers to accrue points or rewards based on their expenditures or interactions with the business.

These loyalty programs frequently provide advantages such as discounts, exclusive offers, complimentary items, priority services, and personalized rewards. Customers have the opportunity to redeem their accumulated points or rewards for discounts on future purchases, free products or services, and even gain access to exclusive events or experiences.

Leading retailers, hotel chains, and airlines in Thailand have developed their own distinctive loyalty programs with the objective of setting themselves apart in the competitive market and fostering customer loyalty. These programs are strategically promoted through extensive advertising and promotional campaigns, aimed at both acquiring new customers and retaining existing ones.

In Thailand, there has been a growing trend towards the utilization of mobile applications and digital platforms as preferred channels for loyalty programs. These technological solutions offer customers the convenience of tracking their points, accessing rewards, and enjoying personalized offers. By leveraging these applications, the overall customer experience is greatly enhanced.

In summary, loyalty programs in Thailand have a substantial impact on customer retention and brand loyalty. These programs not only provide customers with added value and rewards but also enable businesses to collect valuable customer data and insights. This data allows for the development of more targeted marketing strategies and enhances overall customer satisfaction.

### **3.5 Hatch**

In the business context, "hatch" commonly refers to the process of initiating or launching a new business venture or concept. "Hatching" a business can also signify the early stages of growth and development, where the focus is on establishing a presence in the market. This phase typically involves refining the business model, building a customer base, and adapting based on market feedback. When a business idea is hatched, it means that the concept has been conceived, developed, and is now

ready for implementation. This often entails conducting market research, creating a business plan, securing funding or investments, and taking the necessary steps to operationalize the business.

We will categorize the hatch process into three key parts:

1. **Planning:** Hatch will provide support to companies across various sectors such as food services, catering, media, technology, engineering, technical solutions, and property management services. This support will assist businesses in strategic planning, ensuring that their operations are well-structured and aligned with their goals.
2. **Managing:** Hatch will offer a range of consumer-focused and retail brands, leveraging deep consumer insights to tailor offerings that meet the specific needs of our clients. The focus will be on managing these brands effectively to deliver superior customer experiences and maximize business potential.
3. **Manufacturing:** Hatch's technical services and solutions will aid organizations in enhancing productivity and efficiency. By providing expertise and support, we will assist businesses in optimizing their manufacturing processes and achieving operational excellence.

Overall, Hatch aims to empower businesses across different sectors by providing comprehensive support throughout their journey, from the initial planning phase to effective management and manufacturing optimization [\[13\]](#).

In our financial products, Hatch will play a key role in the selection and establishment of new business ventures or retail businesses.

### 3.6 Rules and Regulations by SEC

For the better understanding of the rules and regulations governing our operations, we refer to the "**Emergency Decree on Digital Asset Businesses B.E. 2561 (2018)**" implemented by the Securities and Exchange Commission (SEC). It

serves as our guide in complying with the regulatory framework applicable to digital asset businesses.

The main points sections can be summarized as follows:

## **CHAPTER 2: SUPERVISION AND MONITORING**

**Section 11:** The Chief Administrative Officer (C.A.O.) must promptly report and assess any actions related to digital assets that may severely impact or damage the overall well-being.

## **CHAPTER 3: PUBLIC OFFERING OF DIGITAL TOKENS**

**Section 19:** The offering of digital tokens is only allowed after the registration statement and draft prospectus have become effective. It must be conducted through a digital portal service provider approved by the SEC.

## **CHAPTER 4: DIGITAL ASSET BUSINESSES**

**Section 30:** Digital asset business operators must comply with rules, procedures, and conditions specified by the SEC. This includes having sufficient financial resources, ensuring safety of clients' assets, implementing security measures against electronic crime, maintaining appropriate accounting systems, and conducting know-your-client measures and measures against money laundering or terrorist financing.

These main points highlight the importance of reporting and assessing potential impacts of actions related to digital assets, the requirements for public offerings of digital tokens, and the obligations of digital asset business operators to comply with regulations set by the SEC in various aspects of their operations [\[17\]](#).

**The key points are as follows:**

1. Business operators must not support or promote the use of digital assets as a means of payment (MoP) for goods and services.

2. Business operators must not engage in activities or present themselves as ready to accept digital assets as a form of payment for goods and services from merchants.
3. Business operators must not develop systems or tools to facilitate payment with digital assets for merchants and customers.
4. Business operators must not provide wallets to merchants for accepting payment of goods and services.
5. Any other actions beyond the aforementioned points that support or promote the use of digital assets as MoP are prohibited.

When it is discovered that a buyer/seller utilizes an account for conducting transactions using digital assets as a medium of payment, business operators must notify and consider suspending or terminating the account.

Our financial product is related to the use of blockchain technology to create utility tokens in the form of discount tokens for using loyalty programs. These tokens are intended to be used for reducing the price of goods or services within our brokerage or partner network. They are not used as a medium of payment. Therefore, it can be stated that our product does not violate the SEC regulations [17].

### 3.7 Financial Keywords

**Financial markets** and institutions are the mechanisms through which individuals and organizations can buy and sell financial assets. This includes stock markets, bond markets, and other financial exchanges, as well as banks and other financial intermediaries. In the context of our project, understanding financial markets and institutions may be relevant for developing new digital token-based financial products and services that are well-suited to the Thai market. The main point of the financial markets for financial products is to find the target market that the brokerage wants to attract customers to use their product.

**Financial reporting** and analysis involve the use of financial statements and other data to assess an organization's financial performance and health. This can include tasks such as ratio analysis, trend analysis, and forecasting. In the context of our project, financial reporting and analysis skills may be useful for evaluating the potential impact of new digital token-based financial products and services on the Thai brokerage firm's financial performance.

**Financial management** involves the oversight and management of an organization's financial resources. This can include tasks such as budgeting, forecasting, and decision-making around investments and financing. In the context of our project, financial management skills may be useful for analyzing the potential costs and benefits of implementing new digital token-based financial products and services.

**Financial intermediation:** Brokerage firms play a crucial role as financial intermediaries by facilitating transactions between parties involved in financial activities. These firms act as middlemen, connecting borrowers (partners) with lenders (investors or traders) by channeling capital from other financial institutions. This process of intermediation helps create efficient markets and reduces the cost of conducting business. In essence, brokerage firms serve as a bridge, moving funds from parties with excess capital to those in need of funds, thus contributing to the overall efficiency and functioning of the financial system.

**Our Financial products will consist of two primary financial tools.**

**Cooperative Bond:** A corporate bond is a type of debt security issued by a firm and offered to investors. It enables the company to secure the necessary capital while providing investors with predetermined interest payments at a fixed or variable interest rate. Once the bond reaches maturity, the interest payments cease, and the initial investment amount is returned. The bond is typically supported by the company's capacity to repay, which is influenced by its future revenue and

profitability prospects. In certain instances, the company's tangible assets may serve as collateral for the bond [6].

The main point of the corporate bond for our financial product is the corporate bond is debt issued by a brokerage in order for it to raise capital for our partner to develop or create their business.

**Interest Rates and Loans:** The interest rate represents the percentage of the principal amount that a lender charges a borrower. It is an annualized rate known as the annual percentage rate (APR) in most loan agreements. When a loan is obtained, the interest rate is applied to the principal, which is the borrowed amount. The interest rate serves as the cost of borrowing for the borrower and the rate of return for the lender. Typically, the total amount to be repaid exceeds the initial loan amount, as lenders require compensation for the use of their money during the loan term. Instead of providing a loan, the lender could have invested the funds elsewhere, generating income from the investment. The difference between the total repayment amount and the original loan is the interest charged [9].

In controlling the market size and stabilizing the value of a token, the interest rate will be utilized. Additionally, a portion of the interest will contribute to our ecosystem, involving the brokerage firm, partners, and investors. The interest generated from financial products will be provided in both cash and token forms, depending on the terms of the contract.

## 3.8 Ecosystem and Loyalty Program

A loyalty ecosystem refers to a network of organizations that allows customers to earn and utilize points across multiple businesses. It differs from a traditional coalition loyalty model in terms of its approach. While both models may seem similar, a loyalty ecosystem begins with a standalone business that gradually opens its loyalty program for collaboration with other programs.

Unlike a coalition loyalty model where complementary businesses join forces under a single program, a loyalty ecosystem typically starts with one business and expands to include various industries such as pharmacies, supermarkets, home goods stores, home improvement stores, department stores, insurance providers, rental car companies, streaming services, airlines, travel aggregators, and restaurants. When customers become part of the loyalty ecosystem, they can earn points for activities like booking travel, dining at airport restaurant chains, renting cars, and even staying at hotels, all of which accumulate additional points.

For instance, a fuel chain may extend its loyalty program to enable members to redeem their points at a partnered grocery chain [16].

## 3.9 Example of a Loyalty program with Blockchain

### Finnomena (FINT Token)

The FINT Token is a utility token or a cryptocurrency designed to serve various purposes within the Finnomena platform. Built on the Ethereum blockchain technology, FINT Token currently holds the second-highest market capitalization ranking (as of June 28, 2022, according to coinmarketcap.com).

The primary objective behind creating the FINT Token is to provide users of the Finnomena platform with a means of value exchange and rewards. Users can

utilize FINT Tokens to receive cashback, enjoy discounts on fund fees up to 20%, and participate in various activities such as the Random Box gifting event and trading games tailored for investors.

By incorporating FINT Tokens into the Finnomena ecosystem, the platform aims to enhance user engagement, loyalty, and overall experience. This utility token serves as an incentivizing tool, encouraging users to actively engage with the platform's offerings and features.

With the FINT Token acting as a bridge between users and the Finnomena platform, it fosters a mutually beneficial relationship, where users gain additional benefits while the platform cultivates a thriving community of active participants.

As the popularity of cryptocurrencies and utility tokens continues to grow, the FINT Token stands as a promising innovation, providing users with unique opportunities to maximize their interaction with the Finnomena platform and amplify their investment endeavors [8].

### **JFIN Coin**

JFIN Coin is a utility token that originated from an initial coin offering (ICO) held in 2018, marking a significant milestone as the first ICO conducted by a listed company in Thailand, the Jaymart Group. The purpose of JFIN Coin is to provide support for the advancement of a Decentralized Digital Lending Platform and other innovative products and platforms based on blockchain technology. Its primary objective is to drive digital transformation (DX) within its ecosystem and foster growth among its business partners. JFIN is dedicated to the development of cutting-edge platforms and projects that harness the potential of blockchain technology to enrich its ecosystem [1].

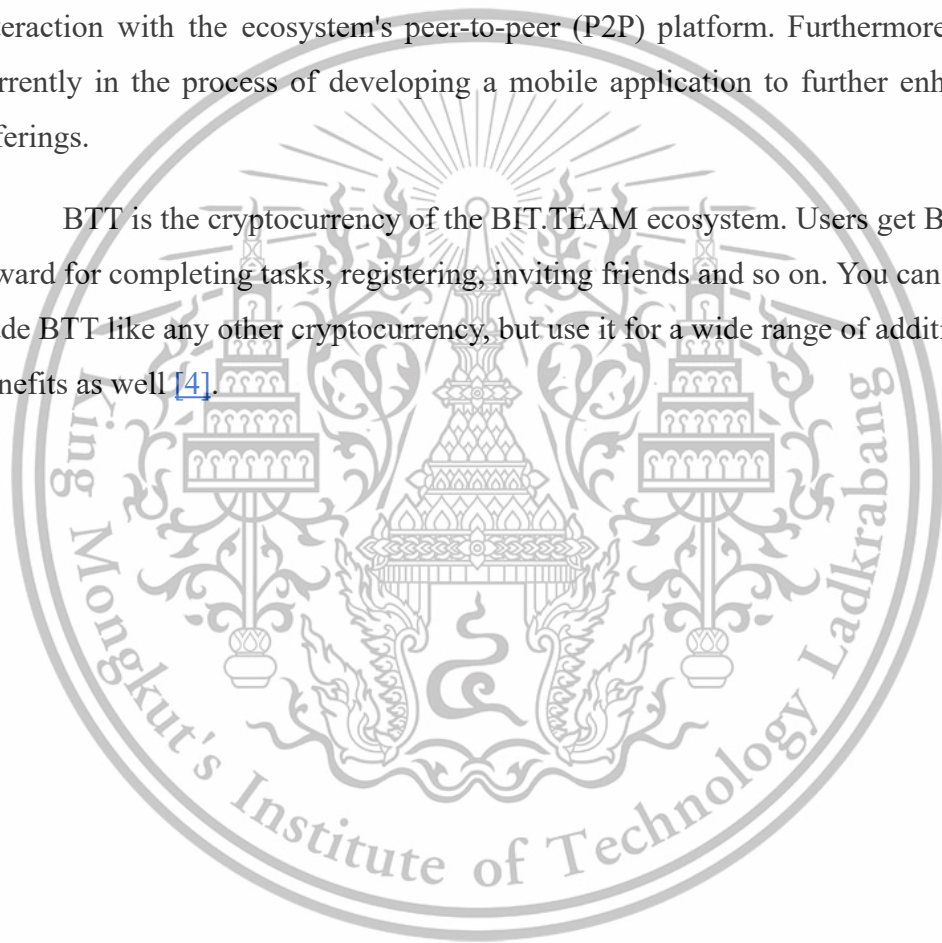
### **BIT.TEAM**

BIT.TEAM Exchange is a centralized cryptocurrency exchange in the BIT.TEAM ecosystem. The exchange provides access to trading popular tokens and

provides a distinctive feature - the desire to provide users with maximum ease of trading and interaction with the functionality of the exchange.

Crypton Studio has successfully developed a range of essential components including a payment gateway, trading terminal, personal account, secure access settings, fund withdrawal confirmation, and an API for algorithmic trading. Additionally, they have created an admin panel equipped with comprehensive functionalities for exchange management and moderation. The implementation also includes a flexible user verification system with multiple levels and seamless interaction with the ecosystem's peer-to-peer (P2P) platform. Furthermore, they are currently in the process of developing a mobile application to further enhance their offerings.

BTT is the cryptocurrency of the BIT.TEAM ecosystem. Users get BTT as a reward for completing tasks, registering, inviting friends and so on. You can not only trade BTT like any other cryptocurrency, but use it for a wide range of additional benefits as well [\[4\]](#).



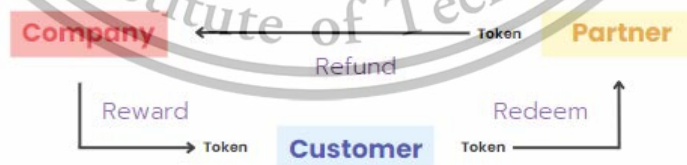
# Chapter 4

## Results and Discussion

### The Design of Loyalty Token

After conducting a study on the appropriate utility token model for implementing customer relationship management in the brokerage firm, we proceeded to design a loyalty token as part of a loyalty program. The utility token is intended to foster customer relationships within the company and is designed to be distributed to customers when they make purchases or receive services from the company. These tokens can then be used to redeem future benefits and privileges, but they cannot be exchanged for cash or be considered equivalent to currency to comply with token issuance regulations in Thailand.

The company implementing the loyalty program can distribute the tokens as rewards or provide them in the form of cashback, aiming to stimulate sales and create a positive customer experience. Customers can utilize these tokens to obtain discounts or make discounted purchases of various products and services. In the initial design of the loyalty program, customers can redeem their tokens for benefits from participating merchants.



**Figure 1:** The First Tokenomic Design for The Loyalty Program

In Figure 1, "Company" refers to the main securities company that issues the loyalty token as an incentive for customers. The company also acts as the entity that

accepts the returned tokens and covers the expenses incurred from the promotional activities after the token usage process is completed.

"Customer" refers to the individuals or members who receive the benefits of using the loyalty token to redeem various privileges that arise from the marketing activities of the securities company issuing the token and the participating merchants.

"Partner" refers to the companies, stores, or business entities that collaborate with the main securities company, which is the token issuer, to conduct various promotions aimed at attracting customers and providing benefits to token holders when using them for purchasing products and services.

The company must bear the expenses incurred from the use of discounts on products and services as an investment in the loyalty program to generate benefits for the customers. It comes with the risk of increased expenses or reduced revenue. There are also challenges in finding partners that can support the use of customer tokens. Researchers have studied the details of these two issues as follows:

1. The problem of finding a partnership

To attract the partnership and create promotions from products and services, there must be compelling factors to generate sufficient demand for participating in the marketing promotions with the company. It becomes an additional responsibility for the company to actively approach and present promotions to these businesses. It can be challenging to establish partnerships if both companies do not share a customer base. If the marketing company does not have a large customer base, it becomes an important factor that reduces the attractiveness of partnering with many partner companies. In Thailand, the major companies with a large user base, including telecommunications networks, internet service providers, and credit card businesses, have successfully implemented loyalty programs to engage and attract customers. These programs effectively showcase their ability to attract users and offer enticing benefits.

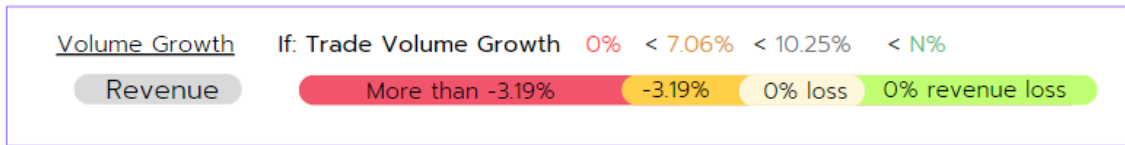
## 2. The cost issue resulting from implementing loyalty programs

The cost issue incurred from implementing a loyalty program in the form of providing benefits to customers who receive promotions for products and services that are superior to regular customers in the market. The company is responsible for the expenses arising from redeeming these promotions.

According to a research study by BrandInside.asia, 71% of Thai companies invested in Customer Relationship Management (CRM) with 4% of revenue. Additionally, the research consultant company "Brand Keys" concluded that if a business increases its loyal customers by 7%, it can generate up to 85% more profit per customer, and with a 3% increase in membership, it can reduce expenses for the store or business by up to 10%.

However, the figures are not clearly defined in the securities market business group. Researchers want to know the cost rate of investing in CRM in the securities market business group. They made assumptions that if they were to use tokens as cashback for customers, based on the financial revenue of a securities company in Thailand, they calculated the revenue loss by using accounting data from a securities company in 2022. They assumed that the company would distribute loyalty tokens to customers as a reward, with one token given for every investment of 10,000 baht in trading stocks with the company. Customers could exchange one token for discounts on products and services at partner stores. The securities company, as the owner of the tokens, would reimburse the value of each token at 10 baht. The company would be responsible for the expenses incurred from using the promotions.

When calculating the revenue, they considered the general brokerage fee of the securities company set at 0.025% (for trading through market intermediaries). This is the main revenue stream for the securities company as studied. Assuming that giving cashback of 1 token (with a fixed value of 10 baht) for every 10,000 baht investment, the company would lose an additional cost of 10 baht from the revenue of 250 baht. Considering the revenue and cost of the studied securities company under the growth rate of Average Volume Growth (2018-2021) at 7.06%, the results are as follows:



\*Average Volume Growth (2018-2021) = 7.06%

**Figure 2:** The growth rate of Average Volume Growth base on revenue

Based on the revenue calculations in 2022, considering the studied securities company's utilization of loyalty tokens for customer promotions, while the trading volume fluctuates with the revenue and reduced revenue correlates with an increased trading volume, we can provide four scenario cases as follows:

- In the worst-case scenario, if the company does not have an increase in trading volume or experiences a decrease, the revenue the company should receive will decrease by more than 3.19% compared to normal revenue in that year, and it will decrease continuously according to the decreased volume compared to the previous year.
- If the trading volume increases according to the normal growth rate of 7.06% for the company, the company will have a revenue decrease of 3.19%, which equals a revenue loss of 15.47 million baht. This can be compared to general companies in Thailand that invest in loyalty programs with an investment rate of 4% of revenue, as mentioned above.
- If the trading volume increases by 10.25% compared to the previous year, the company will have the same revenue and profit rate as before, with an opportunity cost from the revenue that would have increased from the increased trading volume.
- If the trading volume increases by more than 10.25%, the company will start to have an increased rate in terms of revenue. This means that the company will benefit from using this type of loyalty token only when the trading volume in the system increases by more than 10.25%.

Through the inquiries and consultations with a brokerage firm, which operates as a primary securities agent in Thailand under the supervision of the SEC, it has identified clear vulnerabilities regarding the risks associated with investing in loyalty tokens and their impact on the company's revenue loss. This presents a new challenge that the researchers must address and design a suitable product for implementing CRM in the securities firm, ultimately leading to an enhanced model for utilizing loyalty tokens in the future.

## **4.1 The new design a loyalty model for a traditional brokerage firm without self-investing**

After researching on the development of a loyalty program system to attract customers in the securities company industry and applying tokens to the loyalty program system, the researcher designed a new utility token with the aim of allowing the members of the securities company to use the token for discounts on products and services. It was designed to help reduce the budget for the Customer Relationship Management (CRM) of the company. The utility token serves as an intermediary to increase demand for investments or as a loyalty program to reward investors. It is a token that does not require the issuing company to be an investor themselves but rather manages the funds received from token users and manages the token usage requirements. The loyalty token functions as an asset that represents value, used to replace various service discounts that occur within the company's ecosystem.

To implement the usage of the token in the system, the ecosystem design involves categorizing the users of the token into three institutions, similar to the original model, but with the addition of specific usage objectives for each institution. This is to enhance the value proposition of the token and attract capital into the system to be used as an alternative investment in exchange for various benefits. The differentiation of the user types and their objectives will vary depending on the users' purposes within the three types of institutions. The loyalty token acts as a representative of motivation for exchanging benefits among the people in the

institutions, consisting of Users (customers) who benefit from receiving and using the token as purchasers of financial products, Partners who collaborate in promoting products and services, and the securities company that issues and controls the token usage within the system, as well as issuing bonds to raise funds and loan agreements to attract users.

Details of the three token formats for the user profiles are as follows:

**Users:** Users refer to customers who engage in trading activities with the company. They have the privilege to purchase various financial products and enjoy different benefits within the company. Users are categorized into different tiers based on the number of tokens they hold. These tiers are outlined in the white paper of the loyalty token, facilitating the design of promotions and data management. The tier system is similar to the customer levels in general loyalty programs, such as Platinum, Gold, and Silver. The division of tokens into tiers helps create demand among customers to acquire more tokens. As a result, their membership level increases, and they receive greater benefits.

**Partners:** In the new model, partners refer to businesses or service providers from various industries who participate in the use of the loyalty token with the main securities company. Partners play a crucial role in promoting the adoption of the token and maintaining the ecosystem. The main securities company aims to encourage partners to willingly join the project by offering them various benefits. These benefits are proposed and provided to partners to ensure their active participation in the ecosystem.

**The company (token issuer):** The company acts as an intermediary in the token exchange system for discounts on products and services. It oversees financial agreements and manages the overall system. The company is responsible for controlling the quantity of tokens used in the loyalty program with customers.



**Figure 3:** The new using model of the loyalty token

The model for utilizing a loyalty program in the company ecosystem introduces new functionalities to address the challenges encountered in the original loyalty token model. The purpose of these enhancements is as follows:

1. Fundraising for replacing high-value discount offerings provided by participating merchants

To address this issue, the company can sell cooperative bonds by issuing coupon bond tokens at predetermined rates defined in the contract. Customers/investors who purchase financial products and receive loyalty tokens can use them to redeem various benefits.

2. Attracting partners to join the ecosystem

The company can offer privileges to partners through a free-rate loan agreement for business development. Partners will pay interest in the form of tokens received from promotional campaigns. These tokens can be utilized by users, and partners will enjoy additional benefits by becoming part of the company's ecosystem. Further details on partner-related information can be found in The Hatch's partner section.

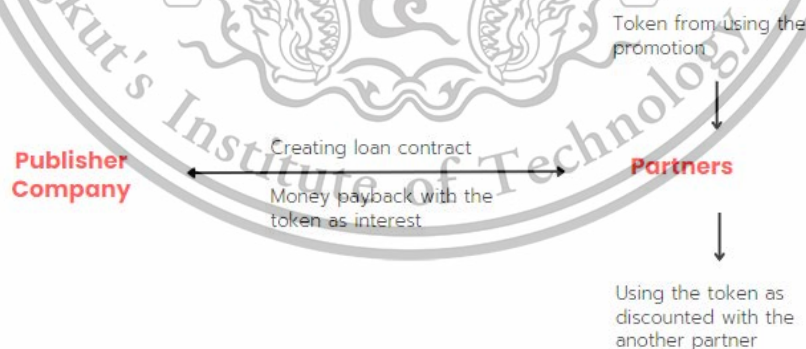
## The relation between users and the brokerage company



**Figure 4:** The receiving of the loyalty token of the customer

Users can acquire tokens through two main methods: 1) Receiving tokens as cashback from investing in securities products on the main market that incurs fees. 2) Purchasing cooperative bonds to receive coupon bonds in the form of tokens. Another way to increase the number of loyalty tokens is through token staking, which involves depositing tokens to earn additional amounts. To maintain control over the token's value and usage within the system, the company has implemented a token-locking function. The company expects users to purchase cooperative bonds to utilize the funds generated for creating financial promotions within the system.

## The relation between partners and the brokerage company



**Figure 5:** The using of token between the partner and publisher company

Receiving tokens from users allows for the exchange of benefits, while partners also receive non-interest capital, which serves as a key factor in attracting

capital. Partners join in creating token promotion campaigns, and loyalty tokens are utilized as marketing tools.

### **The member club for the customer**

Creating a member club would be beneficial for the company in terms of data and customer base. Due to our expansion efforts aimed at enhancing customer relationships, we have been inspired by the observation that each brokerage company establishes membership groups as fundamental factors in customer care and product offerings within their respective organizations.

To add investment promotion activities, it is necessary to create a community among customers and increase their interest in investing. The researchers believe that an unofficial communication platform for investment news and opinions would be beneficial because it would increase customers' investment knowledge and frequency of investment decisions:

- E-wallet

It would provide the convenience of an e-wallet for storing digital tokens and cash flow to be used for purchasing products.

- Social clubhouse

The social clubhouse would be a community for face-to-face investment discussions.

- Social feed

Personal investment news on the social feed would allow users to freely express their opinions about investments. Customers can decide whether or not to disclose some of their information to create a public profile that can be used to express their opinions on investment news independently on the platform.

## 4.2 The Hatch for partners

Creating a system to support and facilitate businesses joining as partners is beneficial for the company in terms of data and customer base. This is achieved by providing convenient services such as creating digital wallets for storing tokens and funds that can be used to purchase products, organizing investment promotion activities to create a community of investors, and establishing social platforms for communication and discussion of investment opportunities.

In addition, creating a system that supports and provides benefits to partners helps to build trust and confidence in the company, increasing demand for the use of tokens on the partner side. This also promotes business growth and reduces the risk of default on debt obligations by generating additional revenue streams. Overall, this strategy can enhance the financial stability and sustainability of the company. As a means of enhancing business operations and increasing revenue-generating capabilities, The Hatch is designed to accommodate the development of marketing techniques that grant privileges to partners as users. If promotions or sales techniques, or product development, surpass the appeal of general market offerings, the clear outcome will be the successful attraction of consumers to engage with the platform. Consequently, the ecosystem of utilizing loyalty tokens will collectively benefit from this development.

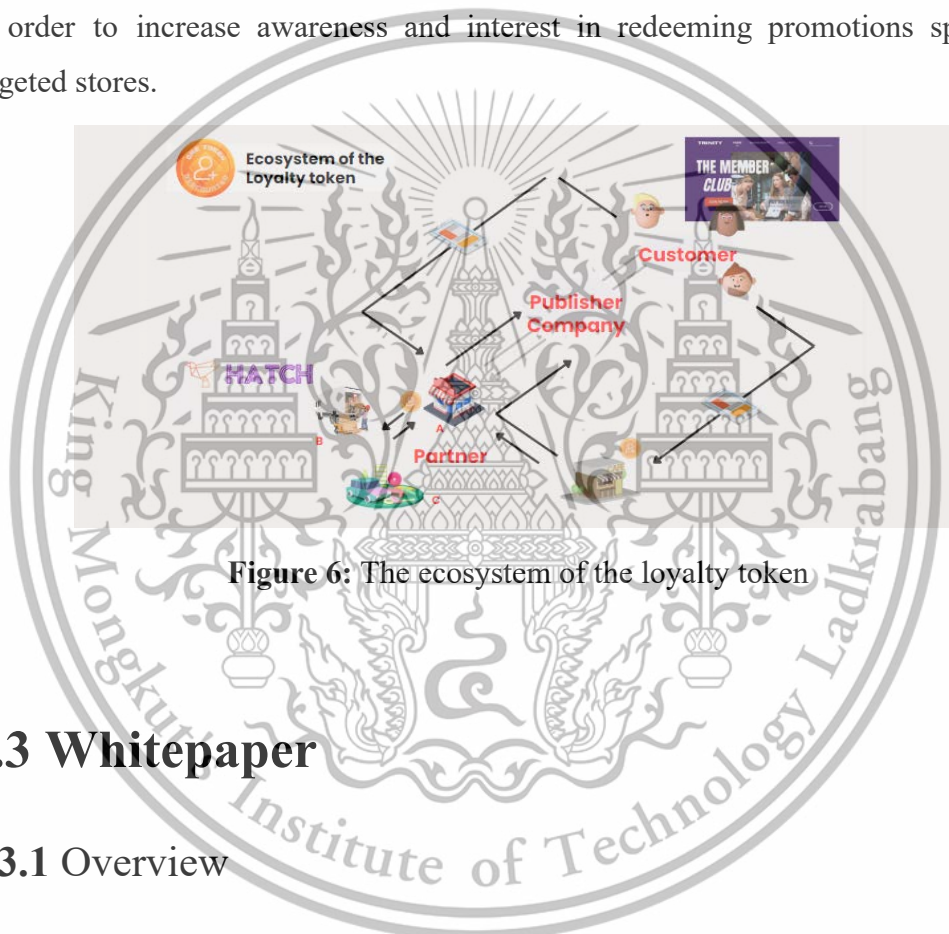
The returns that the main securities company can provide services as the foundation for supporting business venture projects, including as follows:

**Data and knowledge**, which encompass information and business analysis, will be beneficial to member stores. The central company not only provides knowledge and data but also has the ability to receive raw data from valuable partners and utilize it for business analysis. This is done through the provision of services and the establishment of a database for members.

**The credit system**, which offers no-interest loans to partners, will be a crucial component in attracting various businesses to participate, given certain conditions.

**Marketing tools**, such as loyalty tokens, are utilized as a means of promotion to attract customers. It is evident that the more appealing the promotions offered by the stores, the higher the demand from users to purchase goods and services. The level of token usage is also expected to increase accordingly.

**Advertisement on the member social feed** is implemented to address concerns regarding situations where customers do not utilize tokens to redeem benefits from stores. The central company, which issues the tokens, will promote the promotions through the social feed of The Club members. This platform combines token holders in order to increase awareness and interest in redeeming promotions specific to targeted stores.



**Figure 6:** The ecosystem of the loyalty token

## 4.3 Whitepaper

### 4.3.1 Overview

Company Tokens, issued by Company Securities Co., Ltd., serve as utility tokens primarily designed to provide discounts and benefits to its holders. These tokens are built on a Blockchain infrastructure, enabling seamless and secure transactions. By possessing Company Tokens, individuals gain access to a wide range of advantages within the platform, including discounted offerings and participation in various activities related to the products and services offered by the company.

For instance, investors can enjoy cashback rewards on fund purchases or engage in interactive trading games. As per the predetermined conditions, the securities aims to distribute company tokens to its valued customers and stakeholders. It is important to note that the possession of Company Tokens does not confer any ownership rights, shareholder privileges, managerial authority, or creditor status in relation to Company Securities, except for the specific rights outlined in this document.

To ensure a controlled token supply, the total number of Company Tokens is capped at 300,000,000, with no provision for a further increase beyond this limit. This limitation underscores our commitment to maintaining a stable and sustainable token ecosystem.

### 4.3.2 Tokenomics

- Token allocation proportion

| Token Allocation (%) | Token Amount (Company tokens) | Token Distribution    |
|----------------------|-------------------------------|-----------------------|
| 45 - 50 %            | 135,000,000 - 150,000,000     | Company Reserve       |
| 40 - 45 %            | 120,000,000 - 135,000,000     | Company Customers     |
| 15 - 20 %            | 45,000,000 - 60,000,000       | Events and Activities |

**Table 1:** Token allocation proportion

- Token allocation proportion

#### Company's Reserve Token

It is prepared as a reserve token to be used for liquidity purposes or as an additional sales promotion, or to pay for expenses related to operations provided to external parties.

### Company customers

The company will allocate tokens to customers on the company platform, including those who have a stake in businesses related to the company, both present and future, based on their purchase or sale volumes.

### Events and activities

Company will organize activities to give all customers and interested individuals a chance to receive tokens through various activities organized by the company, including airdrops, games, and others. Participants must have a company account in order to participate in the activities.

## 4.3.3 Roadmap

### Q3-2023

- Distribute Airdrop and Game events to the users of the company platform in their capacity as our continuous supporters.

### Q4-2023

- Improve and develop an investment system on the company platform to receive company tokens.
- Launch the company token system and application.
- Begin to distribute company tokens to new customers who open an investment account with the company.

### Q1-2024

- Open access to special features on the company platform.
- Trading games and events for investors.
- Improve and develop after the launch of the loyalty system.

#### 4.3.4 How to earn company tokens

- Investors who have been with the company for a long time will receive tokens based on the duration of their account
- Opening a new account
- The volume of purchases and sales volume of the investor
- Participating in events or games organized by company
- Trading between customers or partners
- Earn company token who is the partner that borrows money from company
- Partners can receive from give the discount price of their product and people who have a token will use it to exchange the discount price
- Staking tokens or money with the company to earn the interest(token form)

#### 4.3.5 How to use company tokens

The company token serves two main purposes, catering to both customers and partners.

##### 1. Customers:

Customers can utilize the company token as a discount token, enabling them to enjoy various advantages, including:

- **Cashback rewards:** Customers can redeem cashback from trading fees or by utilizing company products and services.
- **Staking benefits:** Holding and staking the tokens can yield additional rewards or benefits.
- **Reduced prices:** When purchasing products or services from company partners, customers can leverage the tokens to avail themselves of discounted prices.
- **Consultation services:** Customers can exchange their tokens for free consultation services provided by the company.

- **Access to special functions:** Holding company tokens grants customers access to exclusive features and functionalities offered by the company.

## 2. Partners:

Partners who collaborate with the company also have specific benefits associated with the company token, such as:

- **Reduced loan interest rates:** Partners can utilize the tokens to decrease the interest rates on loans obtained from the company.
- **Stock-redemption:** Partners who enter into a contractual agreement with the company can exchange their tokens for stocks.
- **Discounted prices between partners:** When partners transact with each other using company tokens, they can enjoy discounted prices or preferential rates.

By dividing the utility and benefits of the company token between customers and partners, the company aims to create a mutually beneficial ecosystem that fosters collaboration, enhances customer experiences, and promotes financial incentives for all stakeholders involved.

### 4.3.6 Token Burning

The company has implemented a token-burning mechanism for the Company Token. The burning of tokens will occur in the following scenarios:

1. Completion of the Token Work Cycle:

Once the Company Token has successfully completed its designated work cycle, a portion of the tokens will be burned. This process ensures that the token supply is reduced, which can have potential effects on token value and scarcity.

## 2. End of Contract:

At the conclusion of a contract or agreement, the company will initiate the burning of Company Tokens. This means that a certain amount of tokens will be permanently removed from circulation, effectively reducing the total supply.

Token burning is a strategic measure employed by the company to manage token supply and potentially create a positive impact on token economics. By reducing the number of tokens in circulation through burning, it can help maintain token scarcity and potentially increase the value of the remaining tokens.

### 4.3.7 Disclaimer

This document is not intended to serve as a prospectus or investment presentation in any capacity. It does not constitute an offer to sell securities or a solicitation to invest in securities in any jurisdiction. Furthermore, it should not be considered as legal atoken-burnings advice, financial advice, or advice of any kind. The purpose of this document is solely to provide general written information about company Tokens.

It is important for holders of company tokens to recognize and understand the inherent risks and volatility associated with market prices. These fluctuations can potentially lead to financial loss or a decrease in the total value of the tokens held. The company assumes no liability for any damages or losses incurred as a result of computer theft or any other events that may compromise the security of the company token system.

Additionally, it is essential to note that the company is not involved in the taxation process for company token holders, nor does it encourage or facilitate any attempts to avoid any form of taxation.

Individuals who receive company tokens should carefully consider the risks involved and seek professional advice if necessary. It is recommended to consult with

legal, financial, and tax advisors to gain a comprehensive understanding of the implications and obligations associated with holding and transacting company tokens.



# Chapter 5

## Conclusion

Based on our study, experimentation, and design of token usage models, our research team can conclude that blockchain technology can be employed to enhance the capabilities of securities firms in Thailand. The research focused on various aspects of customer relationship management in Thailand and integrated blockchain technology into the development of customer relationship systems. This was achieved by applying new blockchain technology to traditional Thai brokerage firms and tokens. Our research team successfully designed an application of blockchain for securities firms, addressing three issues that arise from loyalty program implementation. The first issue is the cost issue associated with distributing benefit programs to customers. The second issue is how to generate demand for participation in promotions and token usage with other companies. The token usage model was designed as a marketing tool to promote operations and achieve mutual benefits for partners, users, and the central company. The last issue is how we can develop the blockchain system in the future to effectively meet the needs of both existing and new customer groups while maintaining our current customer base. We want to ensure that we retain our existing customers while also attracting new customers to the platform.

Our research team encountered limitations in data collection, specifically the lack of detailed user statistics and restricted access to customer-specific information within the securities company. This is due to privacy laws protecting consumer rights and the Personal Data Protection Act (PDPA). As a result, the collaborating company was unable to disclose information that would provide detailed insights into the research process involving benefit-providing programs for customers in the securities business. The financial model for the loyalty program is structured to include tokens as essential elements within different financial products. The loyalty token model

aims to offer advantages to small or medium-sized businesses that wish to implement loyalty programs without negatively impacting their revenue, enabling them to effectively compete in customer attraction. As a result, the model has been developed in a comprehensive and expansive manner to cater to various needs. The aim is to foster and enhance customer relationships and sustain the investment community within the company's ecosystem through the utilization of this loyalty token.

The results of designing products for loyalty programs reveal opportunities to expand the scale of securities businesses. The application of blockchain technology can be utilized in various financial products, not limited to the primary securities sector. We have designed products that can serve as tools for implementing loyalty programs in a wide range of businesses, particularly those with similar formats and similar products. We believe that the decision to manage customer relationships directly within the company is aimed at maintaining the existing customer base and increasing the potential to attract new users. If a securities company initiates a loyalty program, it has a greater chance of building strong customer relationships compared to other companies in the same industry. This fosters competition and intensifies the race for customer relations, ultimately boosting market shares within the securities industry. We anticipate that the implementation of loyalty programs in one securities company will prompt other companies in the same sector to focus on and compete in enhancing customer relationships, rather than engaging in price reductions or fee reductions. We draw a parallel between operating in the securities industry and comparing it to cases in the airline or credit card industries. When companies face limitations in differentiating their products, they develop strategies to establish customer relationships as a key aspect of developing the traditional securities industry in Thailand.

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