EatMeCoin (EAT)

A blockchain based loyalty coin, backed by a real business

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Introduction

Est - Est.lv is the Latvian food ordering platform leader. In short, we have developed a platform where customers can order food that is then delivered to them. During this process our customers are rewarded with loyalty points proportionally. However, this is not how we like to see it. The current way of rewarding people doesn't belong in the 21st century, because of the following issues.

Customers can redeem their loyalty points only at the company where they initially received them. They receive loyalty points for each purchase they make at a company and can save these points to use them at the company where they got them. In short, they are stuck to that company. Because of this, customers attach less value to loyalty points.

Lots of different loyalty programs by lots of different companies.
Due this, customers don't even care anymore if they get points for their purchases. When you buy from 10 different companies you have points from 10 different companies. Together it could have been valuable, but separated it is not.

Per Personal information is given to lots of companies without having control of this information flow. In an age were customer security becomes more and more important, customers want their personal information to be safe and know what happens to it.

It is never easy to redeem the loyalty points. When the customer wants to redeem their points to get discount, he must carry all of the loyalty passes with him.

All the above stated points lead to a redemption rate of 50%[1] Which means half of the customers redeem their rewards. This is inefficient and by that companies are not reaching their full potential with their loyalty system. An analyst at Deloitte stated that when a customer won't redeem their loyalty points they are likely to defect from it and join another loyalty program.

However, loyalty programs still have the potential to be an effective way to reward customers. The following infographic shows that there is still a lot of interest in such programs.

Consumers are benevolent to loyalty programs when these programs are properly executed. This means easy to redeem, being functional and adding value. Therefore, we bring the EatMe-Coin

75% of consumers say they favour companies that offer rewards.

66.3% of Millennials indicate they are more likely to shop from stores where they are part of the loyalty program vs. only 33.3% of baby boomers

78% of consumers prefer to access rewards and incentives online and want them immediately.

fig. 1

1. **Making blockchain real for customer loyalty rewards programs.** Deloitte Center for Financial Services, 2016.
2. **Future reward study.** virtual incentives (n.d.)
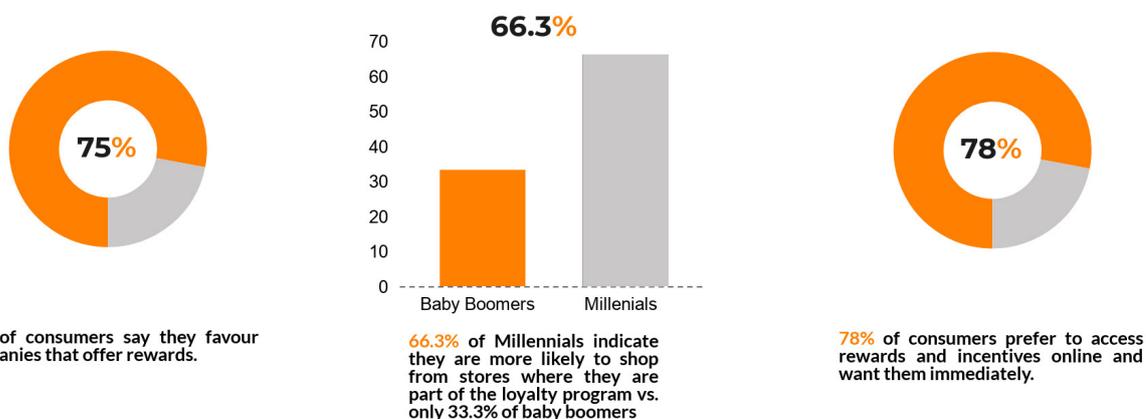3. **Five Things Retailers Need to Know about Millennials and Baby Boomers.** Chain Store Age (2018)

The EAT token

Ēst - est.lv customers who are ordering food are currently rewarded with loyalty "coins" for purchases, doing reviews and other activities. Coins earned can be used for the next food purchases. The coins are technically realised like traditional loyalty points, as a simple credit to the client account. As mentioned before, this concept is outdated.

Ēst - est.lv plans to make this better and run its loyalty program as a true blockchain currency. The Eat Me coin (EAT), will be a loyalty blockchain currency which replaces the currently used coins.

What are the advantages of the EAT token?

Receiving blockchain rewards several advantages:
- Customers receive a valuable currency that they can use elsewhere for purchases, or even redeem to fiat currency.
- Customers become stakeholders in the business if they keep holding loyalty tokens
- Customers become ambassadors, it is in their interest to promote the token. Creating demand creates value as well.

Issuing blockchain rewards has the following advantages:
- No fees payable to issue points or other form of loyalty schemes
- Joint reward programs with related companies can be launched
- Inefficient loyalty program with large unclaimed rewards is avoided
- Perceived value of a blockchain currency is higher than loyalty points.
- Companies can thus issue lower quantity of rewards per order.

Top audit- and corporate finance firm Deloitte has written an excellent introduction on blockchain loyalty programs. They describe it as having '...gained efficiencies, reduced costs, and enhanced brand loyalty....' for companies that choose to issue blockchain rewards.

In addition to the financial benefits, there are benefits in privacy as well. It will not be necessary to leave personal data at random restaurants anymore, just to apply for the discount.

Core investment idea of EAT

After creation of the EAT token, the public will have the opportunity to buy EAT from SIA Baltic Bites, the company that runs Ēst - est.lv. The supply of EAT is limited at launch to 100m tokens. After the launch the buyers will hold the vast majority of EAT tokens. The value of the EAT is underpinned by the food ordering business of Baltic Bites.

Baltic Bites will buy-back EAT tokens on the open market to hand them to customers as loyalty rewards. Currently Baltic Bites issues 1% of the purchase price as a loyalty reward to customers.

Technical implementation

The EAT token will be an ERC20-token based on the Ethereum blockchain with its own ecosystem. To make transactions instant and to save on TX fees, customers can store their EAT in their Ēst - est.lv account. There they will be available for food ordering. Of course a token holder is free to keep the token in a private wallet and to trade it on available exchanges. Other than expanding our own services, Baltic Bites is considering a partnership with one of the biggest European players in online food ordering, thus increasing the value of the token even more.

Know-Your-Customer

To comply with the EU regulations against money laundering and data protection, initial token buyers up to 15.000EUR value must fill in a form with their personal details[4]. Buyers purchasing tokens valued 15.001EUR and up have to comply with advanced KYC regulations which includes sending a copy of a national ID card or passport and a recent utility bill. US customers are excluded from this Token Crowdsale.

Transparency

All EAT transactions are recorded on the blockchain. Also loyalty rewards are publicly visible. Investors can therefore follow the Ēst - est.lv business efforts in real-time.

Usage of funds

The money raised is used by Ēst - est.lv to finance the expansion of the service in the Baltic countries and CIS. See the final page of this whitepaper for more information on token allocation.

All funds raised in the Token Crowdsale will be used for the expansion into new markets. Expansion costs are divided into human translation of our services and platform, raising local companies, hiring staff and setting up the local food delivery network as well as marketing of the service. A smaller part is used for the upgrading of our existing technology.

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4. PWC, know your customer: quick reference guide p. 476 , Accessed March 5, 2018.

EAT Whitepaper - March 2018

About Ēst - est.lv

Ēst - est.lv is the Latvian food ordering platform leader, founded in 2016. We follow the business model of market leaders such as Grubhub, Takeaway.com, Just-Eat, Lieferando and others. In short that means connecting all restaurants to a single platform which allows for convenient food ordering. Having an easy-to-use, secure platform that integrates most of the restaurants offered in a country while providing users a convenient way to navigate.
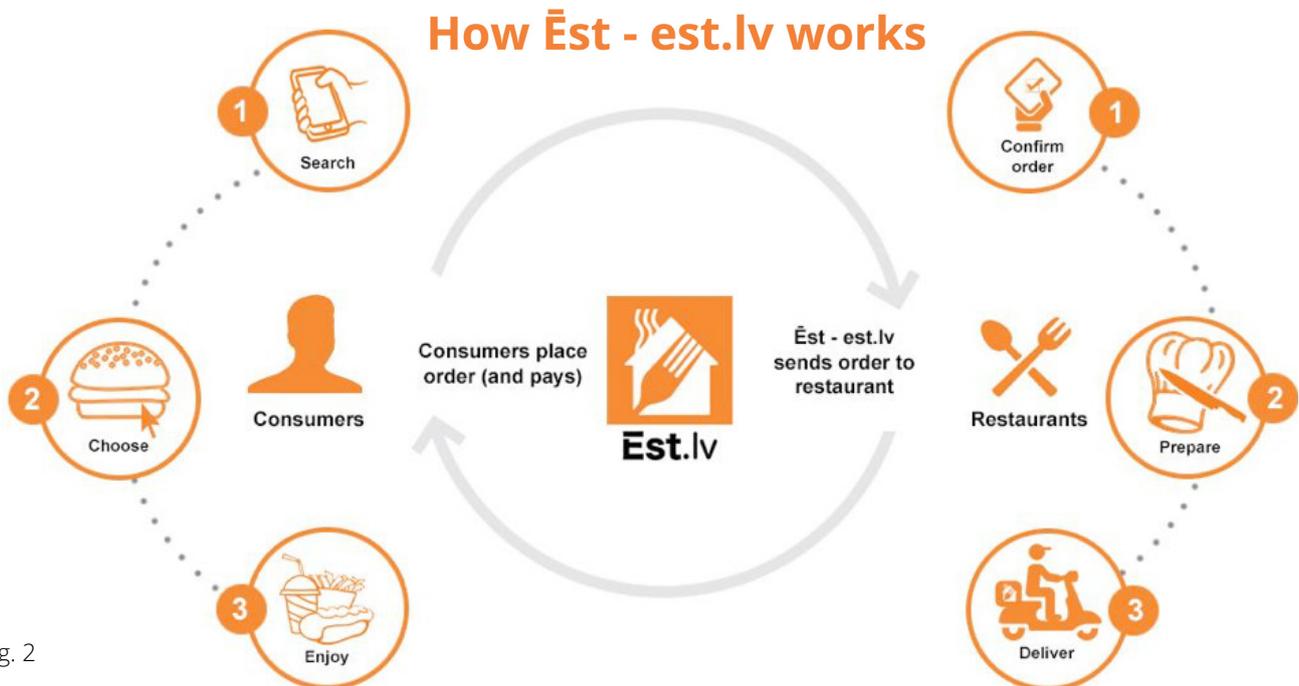

fig. 2

Born out of our own disappointing experiences with food ordering our strategy is to constantly improve the process and customer service. To serve all types of customer we provide our service in Latvian, Russian and English languages with a wide variety of restaurants, fitting every taste and each budget.

Ēst - est.lv customers get their food delivered by the restaurant, third-party couriers or by our own fleet of couriers.
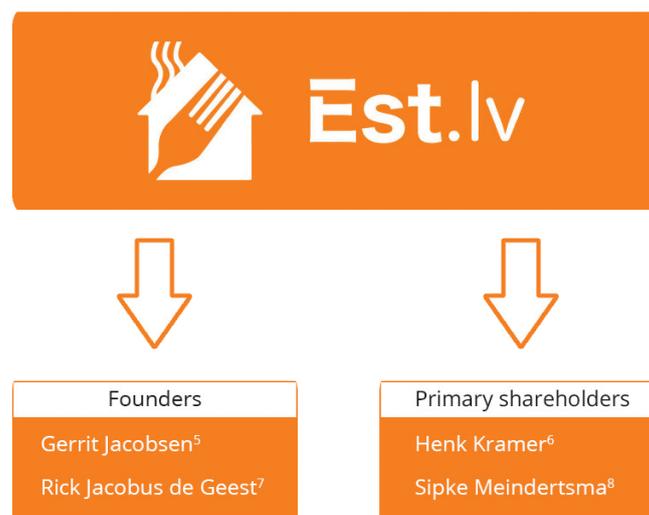

Founders	Primary shareholders
Gerrit Jacobsen[5]	Henk Kramer[6]
Rick Jacobus de Geest[7]	Sipke Meindertsma[8]

fig. 3

5. https://www.linkedin.com/in/gerrit-jacobsen-3043b858/
6. https://www.linkedin.com/in/henk-kramer-1b615413/
7. https://www.linkedin.com/in/rick-jacobus-de-geest-488a461a/
8. https://www.linkedin.com/in/sipke-meindertsma-94204518/

How is Ēst - est.lv performing?

With a company financed entirely out of equity, we have managed to increase sales with monthly double digits. This rapid growth was achieved by a lean and nimble business approach backed by private Dutch investors who are experienced in the Baltic markets.
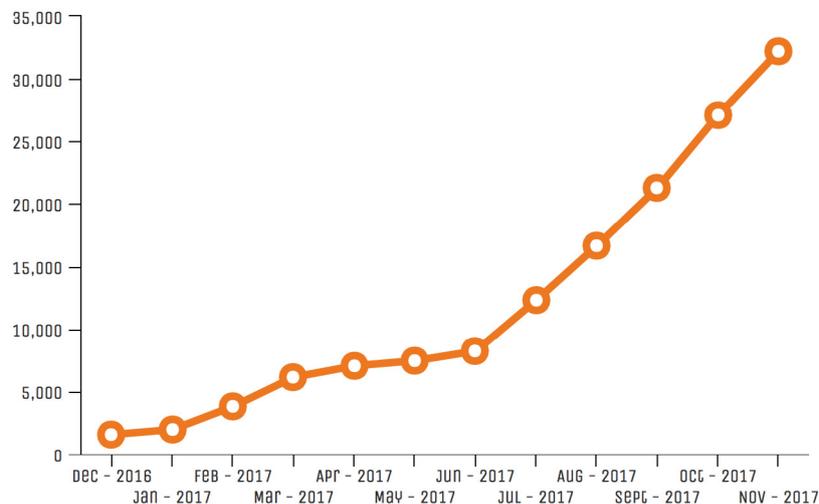
Monthly food turnover
Ēst - est.lv

fig. 4

Right now, Ēst - est.lv is the top ranking food ordering platform in Latvia. (See fig. 2) Since its inception in 2016 the service has been increasing steadily the position in the market and has now achieved the top-ranking position in keyword searches.

What are Ēst - est.lv's objectives?

The global market for on-demand food delivery will reach over €20 billion by 2029. Food ordering in the Baltic states, Russia and CIS countries had been underdeveloped due to lack of traditional service culture and also a lack of disposable income[9].

Latvia has thrived economically, as have the other Baltic States, after the fall of the Soviet Union. The post-Soviet generation has driven strong GDP per capita growth, makes it an ideal test market. Service industries like IT development and back-office outsourcing have seen a strong growth since 2008 thanks to the well-educated and multilingual population in the Baltics, which is plugged into the global information flow with the fastest local Internet in Europe. The Baltic population travels between Riga, Tallinn, Vilnius, London, Berlin and Brussels thanks to ultra-cheap flights. Companies like Atea, TEO, SEB Banka, Skype, PayPal and Evolution Gaming have been flocking to the Baltics. Persons disposable incomes and high-productivity life-styles favor eating-out and ordering food.

Ēst - est.lv's well-built platform offers the ultimate way to profit from opportunities in the area. After reaching market leadership in Latvia, Ēst - est.lv is aspiring to be the market leader in the Baltics and the CIS countries

The goal is to establish the EAT token as a global loyalty reward for eating establishments, restaurants and ordering platforms.

9. Hirschberg, Carsten, et al. "The changing market for food delivery." McKinsey & Company.

What are Ēst - est.lv's innovations?

We are proud to have mastered the complexity of serving a multilingual customer base. Service on such a scale is not only a matter of simply translating, it is a matter of feeling for the exact wording and culture of the customer. The three languages in which Ēst - est.lv serves its customers are Latvian (state language), Russian (42.3% in Latvia's capital Riga and 53,5% in Daugavpils, the second largest city) and English (expats, tourists and foreign students).
Ēst - est.lv's offers online payments, payment by card and payment by cash on delivery, as well as payment in loyalty coins, a unique occurrence in the Latvian market.

Why is Ēst - est.lv launching a Crowdsale?

Traditional fundraising is a long and complex process. Private equity investors want to understand if the opportunity is worth it because exiting is so hard and costly. To improve, we decided to launch an EAT crowdsale. That way, it becomes much easier to trade, making it easier to step in and out whenever you want.

Our growth has been financed by the founders and Dutch private investors. We seek additional funds to start up the next countries and want to offer an opportunity to everyone to become involved in the next stages of this exciting project and being part of the new generation of online food ordering.

What is the Future for Ēst - est.lv?

The next two years will be busy. We are launching the Token Crowdsale this spring, followed by expansion into other areas of the Baltics and CIS countries. Gradually we will increase the functionality of Ēst - est.lv into 2018.

Allocation and pricing of tokens

EAT tokens will be created on the Ethereum network and will be ERC-20 compatible. The main advantage for launching on the Ethereum network is that numerous wallets and markets are ready to hold and trade tokens.

A maximum of 100.000.000 tokens will ever be in existence. If any tokens are unsold, 10% will be frozen into reserve, the rest will be burned.

Token allocation
Max 100 million tokens

15%	15%	70%

🟡 Crowdfunding cost 🟠 Company reserve 🟠 Available in crowdsale

fig. 5

You can acquire EAT tokens during a six week period in three different tiers:

Soft cap: 6.250 ETH   **Hard cap: 20.000 ETH**

Whale-tier	0.00014 ETH / EAT token (includes 42.9% bonus)	Invest 20ETH or more to get this discount
Tier 1	0.00016 ETH / EAT token (includes 25% bonus)	1st of May/ 5th of May
Tier 2	0.00018 ETH / EAT token (includes 11% bonus)	6th of May / 7th of May
Final tier	0.0002 ETH / EAT token (No bonus)	8th of May / 4th of June

fig. 6

Join us in our expansion and spreading great food service!

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PVN reģ. Nr: LV50203029341
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LV-1009, Latvia

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