

Kin is the native cryptocurrency for the Kik social media platform. The aim of Kin is to enable a marketplace through which developers create goods and services that users consume over social media.

The primary economic incentive for existing social media platforms is to monetize the attention of its customers, predominantly by selling advertising. Kin proposes that a decentralized network reduces the incentive to advertise, and developers will build better products for consumers as a result.

Project Overview

Name	Kin
Issuer	Kin Foundation
Category	Utility
Sector	Social
Sale Start	09/12/2017
Sale End	09/26/2017

Token Overview

Name	Kin
Symbol	KIN
Type	ERC20 token
Initial Distribution	1,000,000,000,000
Current Supply	756,097,560,976
Max Supply	10,000,000,000,000
Emission Type	Fixed

Resource Links

- [Website](#)
- [GitHub](#)
- [Twitter](#)
- [Telegram](#)
- [Reddit](#)
- [Whitepaper](#)

Project Background

Kin is being developed to serve as a cryptocurrency for users of social media. It is being developed for use on the Kik messaging app to leverage the existing user base on this platform. Kik was released in 2010, has 8.2 million monthly active users in the U.S.¹ and over 300mn registered users.² Kin is an evolution of an earlier centralized currency called Kik Points, which were earned by completing tasks like watching ads on the platform and could be redeemed for goods or services, such as limited edition emojis. At the end of 2016 Kik Points were discontinued to make way for the development of Kin.

The purpose of Kin is to provide a unit of account that is cryptographically secure and facilitates micro-transactions for a range of goods and services. Kin uses what is known as proof-of-human-work, which releases tokens to users as a reward for providing valuable services to the network. Potential use cases include premium user-generated content, broadcast messages, tipping, and curation services. The team believes that using a token to facilitate commerce over social media will allow developers to monetize valuable goods and services, creating an incentive to supply a broader set of products.

Currently the network is controlled by the Kin Foundation, which makes all development decisions, defines the project roadmap, and holds the majority (90%) of token supply. Over time these tokens will be released into the ecosystem by the foundation. The stated goal of the foundation is to act as a curator while guiding the network towards a decentralized ecosystem controlled by participants. Part of this includes partnering with communities that might find a tokenized incentive model compelling, such as e-commerce, education, gaming, knowledge sharing, messaging, social networks, and virtual goods or content businesses.

The team at Kik have begun testing on the integration of Kin into Kik and announcing partnerships with other teams including, at the time of this report, Blackhawk network (sell branded gift cards).

¹ As of February 2018: <https://www.statista.com/statistics/350461/mobile-messenger-app-usage-usa/>

² Measured in 2016: <https://www.statista.com/statistics/327312/number-of-registered-kik-messenger-users/>

Technology

Initially, the team planned to use the Ethereum network to facilitate transactions in Kin tokens (KIN) but based on the 300,000 transactions per day done in Kik Points the team felt the Ethereum network could not handle all KIN payments until scaling solutions were much better developed.

The plan was adjusted based on feedback from early platform testers and public issues with Ethereum's network seen during the popularity of the collectibles game Crypto Kitties. To handle potential capacity issues, Kin proposed a shift to a two blockchain model where external token transactions, such as conversions into other cryptos take place on the Ethereum blockchain and in-app transactions, which are predicted to be higher volume, will be done on the Stellar blockchain.

To easily migrate between blockchains a new allocation of 900 billion Stellar based tokens, called KIN2 tokens, would be created. These tokens would be exchangeable for Ethereum based tokens at a one-for-one rate, with KIN2 tokens only usable on the Kik application. The team plans to integrate "atomic swaps" to bypass exchanges and allow tokens to be converted directly between blockchains. To ensure the outstanding token supply does not change, the Kin Foundation will lock 900 billion KIN in a smart contract for as long as the KIN2 tokens are in use. The regulatory, tax and security implications of swapping tokens in this way are unclear at this point.

The Kin Foundation is responsible for creating a rewards system called the kin rewards engine (KRE) which will algorithmically compensate all transacting parties with newly released KIN on a daily basis. While still not final, the foundation has proposed a system where rewards are issued based on service category popularity. The system allocates participants into a particular category based on where they spent or received the largest number of KIN on that day. For example, all participants that provided or spent on music related content would be allocated to the music service segment. If a user transacts in multiple categories, such as both music and fashion content, the algorithm will allocate that user to the category where they spent and received the greatest number of KIN.³

Once the most popular service category has been determined tokens are allocated to the users in each group based on their end of day KIN holdings. To ensure that rewards are only awarded to active participants users must have sent or received KIN on a given day to be counted by the algorithm.

Currently, the KRE structure is in development, with admitted concerns around whether the platform fairly rewards a full range of services, and how to balance incentives between large token holders and smaller participants. Members of the public can submit feedback through the project's GitHub.

Distribution

A total of ten trillion KIN were created by the Kin foundation in 2017. The project aimed to raise \$125 million for the sale of one trillion KIN (10% of total supply) through a token sale in Sept. 2017. The token sale was split between a pre-sale, where 487.80 billion (4.9%) tokens were sold, participants received a 30% discount and \$50 million was raised, and a public sale which aimed to sell the remaining 512.20 billion KIN for \$75 million (in ether). The exact amount raised during the public sale has not been disclosed but Etherscan indicates that the entire allocation was in fact minted.⁴ Half of the tokens sold during the pre-sale (244 billion) are subject to a one-year lock-up period.

The remaining tokens are split between Kik, which received three trillion, or 30% of the total supply, and the Kin Foundation, which received six trillion, 60% of total supply. Tokens held by Kik vest at a rate of 300 billion per quarter for the ten quarters following the end of the sale. As of the publication of this report Kik had not moved any of their vested tokens from their wallet.⁵

Foundation tokens are intended to be distributed through the KRE, which has been split into 4.5 trillion for network participants, and 1.5 trillion for marketing and other operational costs of the Kin foundation. These tokens are scheduled to be released into the network at a declining rate, with 20% of the remaining balance released each year.

³ More details: <https://github.com/kinecosystem/kin-rfcs/blob/master/Kin-Rewards-Engine/Kin-Rewards-Engine.md>

⁴ Source: <https://etherscan.io/token/0x818fc6c2ec5986bc6e2cbf00939d90556ab12ce5#tokenInfo>

⁵ Source: <https://etherscan.io/token/0x818fc6c2ec5986bc6e2cbf00939d90556ab12ce5?a=0x56ae76573ec54754bc5b6a8cbf04bbd7dc86b0a0>

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Team

Ted Livingston

Founder and CEO, Kik

- Founded Kik in 2009
- Named one of Fast Company's most creative people

Peter Heinke

CFO and COO, Kik

- Prior experience running finance and operations at startups

Eran Ben-Ari

Chief product officer, Kik

- Previously VP of products at Rounds

Dany Fishel

President, Kik Israel

- Previously co-founder and CEO at Rounds

Erin Clift

Chief marketing officer, Kik

- Previously VP of global marketing and partnerships at Spotify

Eileen Lyon

General counsel and chief compliance officer, Kik

- Previously EVP and general counsel at Citizens Business Bank

Advisors

Fred Wilson

Partner at Union Square Ventures

Uriel Peled

Co-founder and managing partner at CoinTree

Jake Brukhman

Co-founder and managing partner at CoinFund

Investors

Union Square Ventures

Additional Resources

- [KRE Program Details](#)
- [Blog: Kin Q1 2018 Review](#)
- [Blog: Ethereum and Stellar Integration](#)
- [Blog: Defining a Healthy Kin Economy](#)

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