

An aerial photograph of a city skyline, likely New York City, with a blue overlay. The Chrysler Building is prominent in the center. The text is overlaid on the image.

# **BITZON TECHNOLOGIES INC.**

## **OFFICIAL WHITEPAPER**

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*Executive Summary:*

Bitzon has the potential to change the way value is transacted around the world. With the help of Blockchain technology and the recent increase in cryptocurrency popularity, Bitzon will be able to quickly build a promising reputation. Bitzon is designed to be a fast, secure and reliable platform for consumers (buyers and sellers) to successfully exchange value for goods & services. Sellers receiving payment with the BTZ token receive an incentive to sell and buyers receive cashback while shopping with BTZ.

Each seller will be able to personally build their own store page on the marketplace to post their large variety of products. The seller has the option to use any type of currency at the checkout but the use of the Bitzon token is recommended. Since the transaction is placed on the blockchain it is completely secure and takes a short time to process when compared to alternative methods. The seller will also be fully responsible of packing and shipping the sold products once the transaction is complete. Bitzon is looking to acquire shipping partners to help facilitate the movement of products across the world. In this Whitepaper we will state the

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modern problems consumers experience around the world and how Bitzon is solving these recurring issues for a safer and quicker process.

***Problem Identification:***

Bitzon was created to eradicate most of the problems that are found in today's marketplace platforms. These problems may seem minimal at first glance but when taking a closer look, you will be able to see how much of a change this can do to a simple transaction.

***Transaction time:***

The first major problem found in modern multi-sided marketplace platforms is the amount of *time* for the funds to arrive in the seller's account after selling an item. Amazon, our top competitor takes several days to transfer the money to the seller, it usually takes an average of 21 days. One of the most common reasons for this wait is the long process of third party payment processors and credit card companies. A popular third party payment processor is PayPal, they can be found on almost every commercial platform. Transactions usually take 3-5 days but can take up to 7 days.

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Credit card companies like Visa and Mastercard have a big role in current marketplaces. They are usually involved in every transaction. The process is very slow due to the current financial system. Credit card companies are essential to the movement of money and replacing them with digital assets or digital asset backed by fiat/gold could fix the current problems.

*Sellers operational cost:*

The second problem found in multi-sided marketplace platforms is the expensive monthly subscriptions, a lot of platforms are overpriced and can allow themselves to sell their services for these prices due to low competition. We want to set a standard and lower the industry fees by almost 70% of the current average of e-commerce platforms. For example, Amazon has a monthly fee of \$40 for its participating sellers. This may not seem like much for a big distributors, but for an individual seller who is just starting off can have a hard time paying the monthly fee while still finishing the month in profit. Therefore, pushing buyers to purchase products from partnered prime sellers and leaving the hard-working private sellers out of the competition. Overall, a lower subscription fee would motivate more sellers to join the platform. Sellers with low inventory are experiencing low profit

margins when selling on marketplaces with high fees. Offering the same service but lower fees, quicker transactions & anti-fraud security can solve the problem. With the use of third party payment processors, sellers have to pay certain fees in order to complete transactions. For example, PayPal takes 2.9% and an additional \$0.30 off the sale price.

*Trust and credibility:*

A third problem found in our research demonstrated that some of the multi-sided marketplace platforms have a hard time getting credibility and trust of the buyers.

**Risks customers are taking when shopping online:**

- Receiving an item of lower quality than presented in the listing images.
- Receiving a broken item.
- Receiving a defective product.
- Receiving the wrong colour or size ordered.
- Not receiving the item.

Some sellers post downloaded photos from the internet on their listings and claim to have the items presented but truly don't, most try taking advantage of hiding behind the computer screen. Trust is a hard earned asset and can be lost with one

mistake. For instance a seller simply sending the wrong item to a customer can lead to breaking his credibility and trust. We will create a type of review system where sellers can get rated by their customers, this will filter good/bad sellers and give an idea to the buyers of who they are purchasing from.

### *Solutions:*

Bitzon will break through most of the obstacles standing in the way of quick and secure transactions between a customer and his vendor. Thanks to Stellar, one of the fastest blockchains available, sellers and online shoppers will have the ability to navigate fluently through their transactions. Due to fiat on/off ramps, Bitzon will be able to accept fiat, digital assets & credit cards.

Users will be able to shop with any chosen currency

- Credit cards
- Fiat
- BTZ
- BTC
- XRP
- ETH

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- ❑ Digital assets added after the release of platform.

Selling on current marketplaces can be a long process. Most platforms use fiat and third parties to send the money to the sellers accounts. Our approach is to offer digital assets as our main currencies. We will strongly incentivise consumers to use our utility digital asset (BTZ) due to it's quick transaction speed and low transaction fee. Digital assets also transfer value instantly unlike credit card or wire transfers only a message is sent usually through “swift’s messaging system” and a settlement is not actually happening.

Sending value on the stellar blockchain has many benefits:

- Quick transactions
- Low transaction fees
- Consensus ledger (node based)
- High security
- Real time settlement

### Transaction time:

For the transaction time issue, the Bitzon platform is using the Stellar blockchain, the ledger close time is 2-5 seconds. Each transaction will use the BTZ token,



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when consumers use BTZ to buy items, the money is directly sent to the seller. Users buying with other currencies such as BTC, ETH, LTC, credit cards and more can buy anything on the platform. Our backend will automatically trade the used currency for BTZ and pay the seller instantly. This means sellers are able to receive payments instantly when using digital assets, while the traditional method usually takes 3 days minimum. If the seller accepts a different currency he will have to wait for the transaction to settle on the desired blockchain or credit card processors.

*Seller operation cost:*

Our business model doesn't depend on transaction fees like the majority of platforms. Bitzon wants to create an environment for profitable business in the e-commerce space. Fees per item will be at around 1%-3%, a portion of the fees are allocated for the cashback program, this program rewards the buyers with monthly cashback on items bought on the marketplace. We are able to keep fees low due to Stellar's low transactional fees, each transaction on average costs around 100 stroops equalling around \$0.0000012 USD (0.00001XLM).

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Bitzon will provide benefits to sellers utilizing the BTZ token. For instance, when a seller decides to receive payments strictly in BTZ for a month, he will have access to a 50% reduction of his monthly subscription. Users can also pay for 1 year of subscription upfront, doing so will save them money. The fixed rates will be disclosed before the release of the platform.

*Trust and credibility:*

Buyers nowadays are having a hard time trusting sellers with the current system in place. In terms of building trust from its users, Bitzon will be at the forefront of eliminating fraud in the e-commerce industry. Utilizing Blockchain technology, every transaction will be recorded on the blockchain followed by a picture of the item sold, available for everyone to see. Each user will be verified by a picture of their ID to ensure no fake accounts are created. Only 1 store can be created per user. This will prevent the mass creation of fake stores. KYC and AML will be conducted to eliminate money laundering and users living in banned countries to participate.

## Market overview:

E-commerce users are consumers who have purchased something on the internet. It is estimated that 1.8 billion people worldwide purchased goods online in 2018. The year-over-year growth has been consistently surpassing its previous year. This is Bitzons target market, users who have a phone or computer with an internet connection. The e-commerce industry produced over 2 trillion dollars in 2018, and is anticipated to have a 265% growth rate in 2021.

However, due to law restrictions we will not be able to operate in the following countries:

- Iraq
- Iran
- Afghanistan
- Bosnia
- Sri Lanka
- Cayman Islands

Other giants in eCommerce business like USA, Japan, UK, Germany, France, etc.. will have complete mobility through our various transaction methods. Also giants

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in cryptocurrency like Switzerland, Japan, Singapore, Luxembourg, etc... will most likely benefit from our multi-currency option during the transaction since it finally gives them a chance to use their digital assets in everyday transactions.

Bitzon will attract mostly users from 18-34 years of age since that age margin is a majority both in e-commerce and in cryptocurrency. Our platform will be designed to match a modern and clean look with a fluid design to help consumers find whatever it is they're looking for instantly.

### Competitors:

At Bitzon Technologies we push to facilitate online transactions for users worldwide, this means we are going face to face with online giants. Marketplaces include Amazon, Ebay, Wish, and more already occupies our target market, but our plan is to overcome problems that are found in their models.

*Direct competitor(s):*

Storiqa: They raised 25 million USD in late 2017, built a prototype and disappeared. Their website is no longer live and their digital asset recently lost 98% of its value.

*Indirect competitor(s):*

Amazon: They have built one of the most successful companies on this planet, but their fees are too high, subscription costs are too expensive and their processing speed is very slow. Has not implemented blockchain publicly as of July 2019.

eBay: They are a e-commerce bidding site where the user with the highest bid gets to purchase the chosen item.

Alibaba: They are a supplier of many chinese made items and mostly sell in bulk, blockchain has not been talked about yet.

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Wish: They sell cheap items online, while reading reviews about this site; lots of users complain about not receiving their items. Blockchain has not been mentioned as of July 2019.

Etsy: They are an e-commerce site for merchants selling art items.

Kijiji: Canadian local meetup site, where users can post items and exchange goods in person.

Graigslist: USA version of kijiji, blockchain not implemented as of July 2019.

#### BTZ token utility:

Bitzon's vision is to enable instant transactions online to facilitate e-commerce as a whole. Creating a native token for the platform was essential for building a liquid asset for everyone to benefit from this revolutionary technology.

The platform will use the BTZ token for every transaction. Buyers and sellers can buy and sell using virtually any of the well known digital assets and fiat currencies.

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When buyers purchase something on the Bitzon platform the sellers receive the money instantly, all thanks to the blockchain.

For example; when buyers use Bitcoin, the money is automatically exchanged to BTZ and sent to the sellers account, but the buyer will get a slower confirmation due to Bitcoin's slow transaction time.

Consumers using BTZ as their payment method are able to purchase items and receive instant confirmations due to its quick transaction speed.

*Here are the advantages for the sellers and buyers.*

## BUYERS

Using the BTZ token as payment method:

1. Increase transaction speeds to under 5 seconds.
2. Provide instant confirmations.
3. Enrol in the cashback program.
4. Gives a great shopping experience with low fees.
5. Lower prices.

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## SELLERS

Using the BTZ token as payment method:

1. Receive money instantly after selling an item
2. Discounted marketing on the platform
3. 50% discount on monthly subscription.

### Dropshipping:

Bitzon wants to give the opportunity to dropshippers to sell easily on our platform. Amazon, currently one of the biggest e-commerce platforms, allows dropshipping, but forces sellers to send their items to the amazon fulfillment centers. This is a problem for sellers who can't afford to pay for their products. New merchants are having a hard time competing with bigger and older sellers and need to open their own store online to sell their desired products.

Bitzon wants to give the chance to small and early merchants to dropship on a marketplace alongside other types of sellers without having to order in bulk their items. Bitzon will also allow sellers to create their own customizable storefronts on the platform displaying all of their available items for sale. Users will be able to dropship any item to bitzons audience.



### Background:

Bitzon came to fruition in late 2017, Simon was both an e-commerce seller and cryptocurrency enthusiast. He was not pleased with amazon's way of doing things and wanted to find a way to solve the current problems of e-commerce. This is when he saw the value of creating an e-commerce platform integrated with digital assets.

In December of 2017, the team decided to call the platform Bitzon.

### Conclusion:

E-commerce is slow, expensive and unsafe. Bitzon wants to change the way online commerce works using Blockchain to speed up transactions, lower fees and secure transactions. Bitzon will change the way we do commerce.

The release of the full platform is expected to launch in the second quarter of 2020.

## *Links*

Website: <https://bitzon.io/>

Our beta version: <https://bitzon.io/beta/>

Telegram: <https://t.me/Bitzon>

Instagram: <https://www.instagram.com/bitzon.io/>

Twitter: <https://twitter.com/bitzon1>

Facebook: <https://www.facebook.com/bitzon.io/>

Youtube: <https://www.youtube.com/channel/UCLNFNJS26bUD17N9KjR8IvQ>

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