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Former NBA Commissioner Emerges From Retirement To Back Ethereum-Based Cryptocurrency

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My initial thoughts about Bitcoin and blockchain were that we were witnessing a modern day version of the tulip frenzy that would come to nothing and fizzle out. I then came to understand that blockchain technology had much to offer with respect to a range of transactions in many different industries, like the sports sector. However, I still have trouble understanding why Bitcoin, Ethereum, Ripple — or the unlimited number of new issues — can have such untethered value, Former NBA Commissioner, David Stern, told me.

Yet despite issues around the untethered value of various cryptocurrencies, the former NBA commissioner, who is credited with increasing the popularity of the NBA in the 1990s and 2000s, has chosen to back FanChain.

Announced today by SportsCastr, FanChain is a cryptocurrency designed to create a decentralized sports entertainment ecosystem. In turn, this will connect a fragmented landscape, aligning the interest of fans, athletes, teams, leagues and media entities alike.

We launched SportsCastr in alpha last year to let sports fans provide color commentary on live games straight from their couches to anywhere in the world, and continue to add features to revolutionize the fan viewing experience, said Kevin April, CEO and Co-Founder of SportsCastr. Developing a cryptocurrency to power and build this ecosystem is the natural next step, and we're excited to introduce FanChain to our partners and millions of sports fans globally.

Benefits Of A Decentralized Sports Entertainment Ecosystem

While SportsCastr provides sports enthusiasts with a platform to feature live commentary and reactions across social networks during sporting events, April saw the opportunity to take the network a step further by creating an entirely decentralized sports entertainment ecosystem.

One major reason for this was based on the understanding that sports fans do not typically follow a particular sport or league, but rather a specific team. As a result, April saw the need for SportsCastr to adopt a cryptocurrency that would embed team affiliation within an individual token.

The FanChain token leverages a unique combination of fungible and non-fungible characteristics that enables team loyalty to be embedded within individual ERC20-compliant tokens, also known as “Ethereum-denominated” tokens, which can be produced and transmitted across multiple Ethereum-based platforms. The FanChain tokens are “stamped” with metadata to associate digital tokens with specific teams, leagues or events.

For example, if a SportsCastr user is creating live commentary around the Los Angeles Lakers, they can receive a FanChain token stamped with metadata. This will let the SportsCastr system know that the content the user is creating is related to the Lakers. Within the FanChain ecosystem, users can also exchange those tokens for other team tokens.

Additionally, the use of cryptocurrency allows SportsCastr and other members of the FanChain ecosystem to reward fans for creating value for their favorite teams, while enabling brands and organizations to target and reward their most passionate fans. Users will be able to exchange their tokens for rewards, prizes and access, including subscriptions to premium channels and content, digital goods, and sports memorabilia for the teams and leagues they follow.

“I believe that SportsCastr users should build value within the platform and cryptocurrency allows for compensating users, as opposed to what fiat currency has previously allowed,” April said.

The Sports Industry Gets Personal

Moreover, the use of traditional fiat currencies, like the U.S. Dollar or Euro, doesn’t allow sports enthusiasts to interact or fully own in-game assets earned during eSports tournaments. A sports specific cryptocurrency like FanChain, however, provides sports fan and eSports players with full ownership of digital tokens, which can then be exchanged between users within the ecosystem.

It’s really all about personalization and inter-connectivity. FanChain can act as the bridge between existing sports properties, which currently have no way to talk to each other, Stern said. FanChain holds the promise of a currency for a specific industry, which can include everything from eSports to ticket purchases to rewards typically seen for broadcasters or players and even to sports betting. I’m also greatly interested to see whether there is more to the use of tokens in our industry than simply buying tickets or measuring interests.

FanChain will be integrated first on the SportsCastr platform, allowing users to tip color commentators, pay for premium subscriptions, and access exclusive content. FanChain's enterprise-grade SDK will then allow its technology to be integrated with online publications, fantasy sports, social networks, sports teams, leagues, and stadiums.

Moreover, the FanChain token will be available in private presale beginning this month, followed by a public sale tentatively planned for the summer of 2018. Third-party entities can be whitelisted to distribute and reward fans and users with FanChain tokens. However, due to regulations, FanChain Tokens will not be offered or sold to individuals located in the United States.

And although the crypto market remains highly regulated (especially in the United States), Stern also notes that he believes regulation of certain cryptocurrencies is necessary in this space.

"I believe in the protection afforded by regulation. This past week there was another report of what appears to be a complete scam originating in Europe. I think some minimum regulation should be provided so that there will be a protective roadmap for those who wish to issue cryptocurrencies and those seeking to issue them."