

Coinbase CEO Praises Ethereum-Based Decentralized Airbnb Project

By **Joseph Young** - January 28, 2018  8062  0



Brian Armstrong, the CEO of Coinbase, praised CryptoCribz, an Ethereum-based Airbnb competitor, who've delivered a commercially successful decentralized application without raising funds via an initial coin offering (ICO) model.

As Aragon co-founder Luis Cuende previously stated, developers within the blockchain sector have started to learn the money of code in Ethereum. Cuende noted that he does not know a single Ethereum developer that is not a millionaire because of the ICO boom.

Most blockchain projects in the ICO market raise tens of millions of dollars, with some raising up to a billion dollars. The demand for ICOs has increased to a point in which many have started to run private token sales and not open the distribution of their tokens to the public.

For months, blockchain projects have abused the ICO market to generate millions of dollars in funds without proper products, clear business models, or long-term vision. The primary focus of most ICOs in the market is to carry out an ICO first and delve into product development later on.

An example of this is Tezos which raised hundreds of millions of dollars via Ethereum in 2017. After many months, Tezos is no closer to launching their blockchain network than when it was first introduced to the public.

However, there are several projects in the blockchain sector that have been able to deliver commercially successful applications without ICOs. These projects include CryptoKitties, CryptoCribbs, and EtherDelta.

The business model of EtherDelta was praised by Ethereum co-founder Vitalik Buterin because of its sustainable system. EtherDelta, as a decentralized cryptocurrency exchange, profit from fees that occur when an order is executed. The fees are then used to fund the platform and the developers.

CryptoCribbs, a decentralized Airbnb launched on top of the Ethereum protocol, chose not to run an ICO and create a token. It introduced a genuine decentralized platform wherein users can book houses and apartments with cryptocurrencies like bitcoin and Ethereum.

Armstrong, who has continuously expressed his optimism towards the Ethereum ecosystem, tweeted his praise for the project



A decentralized version of centralized platforms like Airbnb can be massively beneficial for general consumers because it leads to substantial reduction in fees and expenses. Airbnb relies on financial intermediaries to process payments and reputation intermediaries to rate hosts on the platform.

"However, while delivering substantial value to platform users, Airbnb also introduced significant transaction costs compared to the comparatively open and free platform Craigslist. The company, which has become a quasi-monopoly in that space, takes commissions as high as 20 percent per transaction," said the CryptoCrib's development team.

On a blockchain network, costs to cover the two intermediary layers can be eliminated, as transactions are settled using cryptocurrencies such as bitcoin and Ethereum, and smart contracts can be used to build a peer-to-peer reputation system.