

*Never use a long word where a short one will do. Never use a foreign phrase, a scientific word, or a jargon word if you can think of an everyday English equivalent.*

-George Orwell

### **Mission:**

Networth is an open source project to validate information through crowdsourcing.

### **Introduction:**

With the advent of the Internet beginning in the early 90's, we increasingly consume and exchange large amounts of information at an exponential rate. The 3 largest players that account for the majority of our consumption are Google, Wikipedia, and Facebook. Each play a different role, Google is used mainly to search for information that is published on other sites, with the top organic links suggesting a higher reputation regarding the accuracy of the data. On the other hand, Wikipedia defines itself as the world's largest general reference on the Internet, that is edited by millions of volunteers throughout the world and managed for accuracy by self-anointed moderators. And Facebook is a social network that connects friends and colleagues largely to stay in touch and communicate on daily matters. There are of course many other sites that focus on more niche subject areas, such as Quora that brings in an engaged community for Q&A. The same with Stackoverflow for technical and scientific Q&A, and so on.

### **The Problem:**

However, even with all the plethora of choices to find and exchange information, we still get bogged down in certain cases during our search for accurate information. Those exceptions are due to the data residing in databases that are not open to the internet, but rather hidden behind firewalls and only accessible to key individuals within the Company or business. For example, research reports and market analysis on domain specific items are typically hidden behind firewalls and can be very expensive to access. Furthermore, the information that you might be searching for is simply not available on the Internet because there is no incentive for people to share it, and then continuously update it for accuracy so it doesn't go stale.

### **The Solution:**

Networth is an attempt to make currently unavailable and accessible information open to the general public by creating a utility token to incentivize the community to share data and then have this data validated and attested using a public ledger such as a Blockchain to ensure accuracy through a reputation system. For a slightly more technical explanation, Networth will create an ERC-20 smart contract token on the Ethereum platform that users can receive and purchase to access this information. The Blockchain is used as a reputation metric for each person that adds new information to the dataset, as opposed to utilizing an army of volunteers. And the first case study will start with granular data regarding high net worth individuals (HNWI).

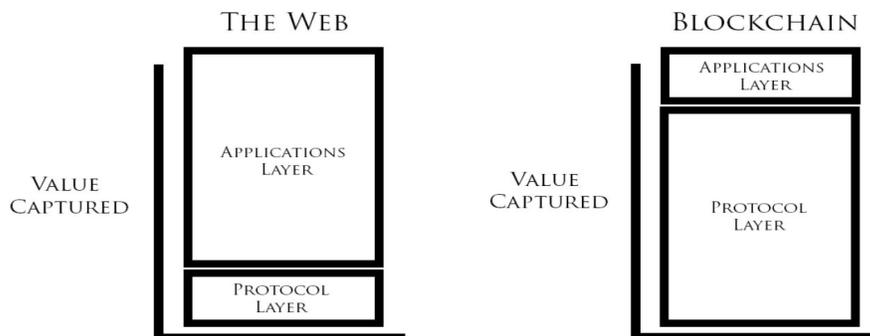
## The Challenge:

Bringing any new product to the market has an enormous set of challenges. Foremost among them is market fit -- will anyone use or buy the product once it is released. With the introduction of Networkth, we are making a bet that users crave information about the most wealthy among us and will actively engage with the site to populate it with data that is not currently available anywhere else on the Internet. One should not discount how important market fit is, and that we are taking a significant leap of faith in undertaking this development.

However, besides market fit, there is an equally important factor that will determine the successful outcome of this project. And this factor is actually a problem that all projects that attempt to create distributed applications (DAPPS) face. Before outlining the specific problem, it is important to explain the issue that typical (non-distributed) application that do not rely on Blockchain encounter and how those are related to utility, virality and network effects. The most common and successful businesses on the Internet operate in what is called a two-sided market. eBay and Uber are two examples that rely on two different sets of users to join the network in large numbers to create virality for network effects in order to make both networks valuable; buyers and sellers in eBay's case, and riders and drivers in Uber's. In order for both markets to reach critical mass and be successful they each need to appeal to two different classes of users -- we refer to this as the chicken and egg problem. And the inability to surmount this hurdle has led to many business failures.

With the advent of integrating a public ledger such as a blockchain into a consumer facing application, a business now has to manage a three-way market to become successful. And the reason for this is that three different sets of users are now required to be incentivized to join the network: 1) users to provide data; 2) users to consume that data; and 3) users that validate that the data is accurate (validators). This issue has become known as the hen, egg and roaster problem.

And creating a 3-sided market is generally thought to be at least 1 magnitude (e.g. 10x) more difficult than any 2-sided one. And this may account for the dearth of the applications that have been successfully deployed in the marketplace using blockchain enabled technology. Additionally, this is one of the reasons that keen observers and investors believe that the value proposition in decentralized projects lies with fat protocol development over application development. This line of reasoning has conveniently averted attention from the lack of successful decentralized application (DAPPS) that will sit on top of the protocol. One should keep this dynamic in mind when investing in any DAPPS project, and approach such projects with a grain of salt, including Networkth.



source: <https://taylorpearson.me/fat-thin/>

*"If you can't explain it to your cleaning lady, then you really don't understand it yourself"*

-Wolfgang Pauli (in reference to Quantum Mechanics)