

Tip jar goes digital with Bitcoin startup

January 9 2015, by Glenn Chapman



Attendees visit the Bitcoin stand, January 6, 2015 at the Consumer Electronics Show in Las Vegas, Nevada

Amid the roiling sea of gadgetry at the Consumer Electronics Show was a contingent of Bitcoin startups intent on bringing the controversial digital currency mainstream.

ChangeTip was among a dozen or so Bitcoin companies out to grab a bit of the spotlight at CES, which ends Friday here in Las Vegas.

ChangeTip is luring people into opening Bitcoin wallets by sidestepping talk of complex aspects of the [digital currency](#) such as private keys and

block chains, and simply letting people show appreciation for posts at Twitter, Facebook, YouTube and elsewhere by virtually tossing them a gratuity.

"Sometimes, you just want to pay a friend back with a cup of coffee, a beer, or a slice of pizza," said Victoria Van Eyk, [vice president](#) of community at the San Francisco based startup.

"We like the idea of showing appreciation. And, how do you do that in an increasingly cashless society?"

ChangeTip software "bots" listen for mention of the service, an amount and a sender's Twitter handle in messages at popular media services such as Twitter, Facebook, YouTube, Google+, and Reddit. It then automatically follows through on expressed interest to send someone a gratuity with a link in a direct message at Twitter.

Links take people to ChangeTip website, where the tip is deposited in the form of Bitcoin in a "wallet" after people register for accounts.

"It is the easiest way to get people into Bitcoin," Van Eyk maintained while demonstrating ChangeTip.

Bitcoin dances with devices

The startup is building a micro-payments infrastructure and has attracted 54,000 users since launching the service in April of last year, according to Van Eyk.

ChangeTip's vision includes going beyond buying friends coffee to serving as a way to reward content creators at online venues such as YouTube, Google+ or Facebook.

Other Bitcoin companies taking spots on a section of the expansive CES show floor dedicated to the currency included BitPay, Blockchain, Kraken, Circle, and CoPay.

The dozen or so companies represented more than \$100 million in venture capital funding, according to CES organizers.

"Bitcoin is rapidly redefining financial and commercial paradigms," said Emily Vaughn of BitPay, which took part in bringing together the Bitcoin world at CES.

"The showcase represents some of the top talent in Bitcoin technology."

Well-backed Bitcoin startups held a private soiree for members of the press at Bali High Golf Course in Las Vegas before the formal start of CES.

Microsoft in December began letting US shoppers at its online Windows Store pay with digital currency Bitcoin.

Bitcoin, traded in at market value through a partnership with payment processor BitPay, could be used to add money to Microsoft accounts that provide funds for buying games, music, video or applications for Xbox consoles or computers powered by the US technology titan's Windows operating systems.

"The use of digital currencies such as Bitcoin, while not yet mainstream, is growing beyond the early enthusiasts," Microsoft Universal Store corporate vice president Eric Lockard said in a blog post announcing the news.

The virtual currency is a software-based system introduced in 2009 by an individual or group masked by the pseudonym Satoshi Nakamoto.

It can buy goods or services from any person or company accepting it as payment, but is not a real currency managed by a central bank.

Bitcoin value has been subject to wild crashes, and the digital currency's reputation has suffered due to a lack of transparency that has made it a tempting tool for criminal activity such as money laundering.

Bitcoin took a hard hit after Mt. Gox trading exchange declared bankruptcy early in 2014 due to a fortune in digital currency vanishing or being stolen.

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