

Asia's #1 DJ Duo, Rave Republic, First in Asia to Accept Cryptocurrencies on WadzPay Platform

Starting immediately, Singapore-based DJ Duo, Rave Republic, will accept cryptocurrency as a payment option. Cryptocurrencies like Bitcoin have been all the rage in the past year, causing quite a sensation. The push for cryptocurrency acceptance has been driven by dissatisfaction with the current financial systems and a push for decentralization.

A number of professions and ways of life heavily rely on being able to make cross border transfers. Be it to receive payments from overseas or to send money back home to loved ones. Unfortunately, despite being in an era where communication occurs at the speed of light, the lack of trust has made it hard for people to quickly send money across borders. The decentralized ledger and blockchain technology powering Bitcoin and other cryptocurrencies now make it possible to quickly send large amounts of funds around the world in minutes and at a minimal cost.

Unfortunately, this fairly recent technology has still limited adoption. While a number of the profession, such as travelling artists, could benefit from this technological advancement, the complexity of this technology has drastically slowed down people from embracing this technology. We had the opportunity of having an exclusive interview on this topic with an international DJ group, Rave Republic.

Rave Republic is a homegrown duo act from Singapore under the Warner Music label that is ranked in the Top 100 DJs in the World (DJ Mag, 2018). The high-energy performances from the DJ duo seamlessly blend all genres of music and leave the crowd jumping and fist-pumping through the entire set. Whether headlining festivals around the world, playing the main stage at Ultra Music Festival or rocking top-ranked clubs, this spirited team always create lasting memories.

The Rave Republic duo grew to international level in recent years, through collaborations with the likes of Dash Berlin/Jeffrey Sutorius, Justin Prime and Luciana. With this international success, the duo came to face similar difficulties as many of their peers.

Artistes can lose more than 10% of their income to banks

The decision from Rave Republic to start accepting cryptocurrency-based payments comes in direct response to the huge amount fees that performing artists have had to deal with and the lack of protection offered when it comes to payments.

“The current system forces performers to pay exorbitant banks commission just for the opportunity to perform overseas.”

Rave Republic has provided an example as to how their income is highly affected by the current system. The DJ duo explained that Clubs/promoters typically pay a 50% deposit to the performer's bookings agency in order to confirm the performance. Many agencies are located internationally. As a result, a bank fee of \$30-50 for an international wire transfer as well as often unfavorable exchange rates is charged. Again, shortly before the performance occurs the balance is transferred, and again is subjected to similar charges. Finally, once the performance is completed, the bookings agency finally pays the fee owed to the performer, which is again subject to a \$30-50 charge. In total, \$90-150 is often lost to the banks just to receive a payment coming from abroad.

In the case of some of their low and mid-tier regional peers, who typically charge \$1,000-\$2,000 for an overseas show, the bank fees charged to allow these artists to work can represent over 10% of their revenue stream. This is a major expense in their business, that affects many other professions working across borders.

“At this stage of our career, we don’t face these issues anymore in most cases, but the bank fees still take a chunk of our income out that we could put to better use”

Payment Delays and Non-Payment Issues Plague the Industry

If having to give away a large amount of your income to the banks was not enough, due to the complex infrastructure, the procedure to wire money is unnecessarily complicated and can often result in delayed payments. Depending on the number of intermediaries, tracking discrepancies between received and the expected amount is often a task requiring more effort than it is worth, with each intercessor pointing the finger to the other to explain the missing amounts.

“When we didn’t have a big bookings agency behind us, non-payment was a real issue. Most mid-tier touring DJs will accept cash on the spot, instead of asking for a deposit and then balance payment, to avoid the heavy bank fees on comparatively lower fees to the big acts. There are many horror stories where DJs are owed money and the club refuses to pay them before the show.”

On top of the bank delays, there have also been instances where the promoter has not paid the final amount at the required date, which often throws plans into disarray. This issue is compounded by the additional risk some artists are willing to take to avoid paying outrageous bank fees, at the risk not to be paid at all.

The Opacity of the Multitiered Payment System Contributes to Non-Payment

When the duo was asked if they had personally faced negative experiences in their artistic career which they believed could have been solved with the advent of blockchain and smart contracts, the duo promptly indicated that part of the opacity from the current payment system made it such that it was often easy for people to point the finger to the intermediaries and either delay payment or in some instances avoid payment altogether.

“Absolutely. We have heard cases of fake bank receipts being sent, and have personally received multiple unbelievable excuses for why payments were delayed or simply not made.”

By accepting payment in cryptocurrency, Rave Republic hope to almost entirely remove charges, while being able to receive their fees almost instantly. This product which eventually will act as an escrow between the merchant and the customer in this case represented by the performance venue and the performer will help alleviate the non-payment risk which is mitigated by an electronic intermediary, the smart contract.

“It’s a simple procedure which will keep getting easier as the adoption of cryptocurrencies grows”

So far the main limitation to switch entirely to a Blockchain solution is that many people in the industry still heavily rely on fiat payment and traditional banking. There are a number of elements slowing down adoption. One of the issues is the high volatility of the currencies which may dissuade some people from

entering this space because while the prospect of having their, profit increase is appealing many do not want to take the risk that their funds may depreciate heavily and impair their ability to do business. Another issue goes to the liquidity of cryptocurrencies for which usage is very scattered. These are two issues that WadzPay intends to tackle by allowing people to receive their payment in fiat, as well as increasing adoption by working with merchants and communities to leverage digital currencies.

“We push to adopt these [Blockchain-based payment technologies], but unfortunately, others still insist on doing business the traditional way. Volatility is another reason why there is a risk to using these methods, but thanks to players like WadzPay , this will soon not be a concern”

Until the adoption becomes the industry standard, Rave Republic will continue accepting regular payment options but will offer a discount for payments in Bitcoin, Ethereum, WadzPay and possibly other alternative coins. Rave Republic and many other international performers are coming to the reality that Blockchain will solve many of their issues.