

CryptoCribs, the new cool kid on the blockchain block



Pamela Whitby has been talking to the co-founder of a new 'crypto tribe' platform for short-term lets that is targeting early adopters of Airbnb

When Erasmus Elsner first tested the proposal for [CryptoCribbs](#), his blockchain-based answer to Airbnb, where users are mostly required to pay in cryptocurrencies, he was looking for honest feedback.

Inspired by Pieter Levels, the founder of [Nomad List](#), who video recorded himself while building his website, and then took “crippling feedback” on [Reddit](#), the so-called front page of the internet, Elsner likes to put himself “out there to be destroyed”.

“I’m a product first person, and I really want to understand what users want,” says the former JP Morgan Banker and corporate lawyer, who completed his PhD thesis on financial disintermediation at the Swiss Federal Institute of Technology.

On Reddit, Elsner got what he asked for. “You are like a baker that is only selling cupcakes for gay weddings,” came one critique of the site from a sceptic, who may have a point! Although CryptoCribbs could, arguably, be huge, it’s also fair to say that right now Elsner is doing something fairly niche. Like other short-term letting platforms, which have personalised for, say, the silver surfers or the LGBT community, Elsner is catering for people who either completely “get the crypto-world ethos”, or who are curious to understand more.

“We live in an age of tribalism. You have consumer tribes, religious tribes...crypto is really a tribe. To me, it made sense to marry the concept of peer-to-peer currency with peer-to-peer sharing,” he says.

Out of touch

Niche it may be, but the Switzerland-based platform, which launched last September, already has 800 users, and the numbers are rising daily. Among them, a newly minted crypto-billionaire, an Asian property magnate with 4,500 properties in South East Asia, who has bought into the bitcoin hype, a Ugandan Airbnb super host and a curious empty nester in Lake Tahoe.

Around 90% of CryptoCrib's users, says Elsner, are Airbnb hosts, and many of them are disillusioned. Either they are fed up with paying high commissions that no longer reflect the economic value the platform generates, or are tired of being treated as a 'hotel'. Not everybody, it seems, wants the 'managed services' that so many firms are trying to provide for Airbnb hosts.

The trouble with Airbnb is that in becoming too big, and effectively just another distribution platform (around 80% of listings on Airbnb are professional hosts), it has lost touch with many of its early users.

“ The trouble with Airbnb is that in becoming too big, and effectively just another distribution platform, it has lost touch with many of its early users

“Our target audience is pretty much the very first community of Airbnb, a small segment of sophisticated people, who just want to host people they identify with,” Elsner says.

It's also a two-sided market because while most users are familiar with crypto-currencies, there are others that still need handholding. The empty nester (Airbnb's fastest growing demographic), says Elsner, is one example. This is a service that Elsner, who is keen to share the crypto ethos, is more than happy to offer, and is one of the reasons that along with the four [Coinbase](#) currencies – Bitcoin, Ethereum, Litecoin and Bitcoin Cash - he is, for the moment, happy to accept Paypal.

A new way of doing business

Cryptocribs is no traditional start-up. Instead, Elsner says he is building a true open source, peer-to-peer sharing community, along the lines of WordPress. “I want to eventually give users ownership of the platform and let them decide locally what kind of features they want to have,” says Elsner.

While Elsner admits he certainly hasn't worked it all out yet – the reputation management piece and fake profiles (more on this next week), being among the early challenges – the data tells him he could be on to something. Aside from a fast-growing user base, TUI, one of the first major travel brands to acknowledge the revolutionary potential of blockchain technology, has been in touch. Apparently TUI is considering listing some of its hotel inventory on the site, but Elsner insists that if this materialises he will ask the 'community' to vote on that decision. What he is aiming to achieve is a fully decentralised, autonomous organisation where there is no central governance. As Roland Berger consultant Joerg Esser pointed out at EyeforTravel's recent [Amsterdam show](#), this is what the distributed ledger technology of blockchain enables.

Perhaps even more interestingly than TUI's approach is that Coinbase, the JP Morgan of the crypto-world, has elected to integrate the CryptoCribs platform into [Toshi](#), its app for digital payments. Elsner believes “this will give us a lot more reach”.

Product first

Elsner and his co-founder Serge Birri haven't always succeeded and have built a lot of failed products, but they have also had viral success. Although it's "a little bit embarrassing," they were the brains behind [Win the Gym](#), a data analytics tool for the Pokemon GO users. "We never played the game but had half a million clicks on the first day, which led to all those disturbed millennial kids racing around in the summer of 2016 trying to catch Pokemon," he says.

What Elsner is clear about is that to build a cool product, you have to start at the grassroots. The duo has already rejected a \$1.5 million offer for CryptoCribbs from a company that has launched its own coin, because it was clear they had no idea what users really wanted. "That is not how you build a cool product," he says.

“ Usage of these established large coins is not at the point where it makes sense to introduce yet another one

Unlike [Winding Tree](#), which launches its own currency, Lif, tomorrow (Feb 1), Elsner has no plans to launch a CryptoCribbs coin. "Usage of these established large coins is not at the point where it makes sense to introduce yet another one, so we've decided to focus on the major ones and I think that is playing to our advantage," he says.

What he might consider is a 'Karma coin', issued to hosts that allow guests to stay for free, which "would be in the spirit of what I'm trying to build".

“ My Dad is a professor and he still thinks I am trying to do an Airbnb for aliens

Right now, Elsner, who has benefited financially from investing in the crypto bubble, claims he doesn't need to make money from the platform. "I've spoken to 100s of guests and hosts already and I really enjoy that. I won't be able to do this forever but that keeps me going," he says.

Given the current volatility of crypto-currencies, and the fact that even many converts don't want to spend their 'coins' on real world products and services, the idea may remain very niche. CryptoCribbs is, however, "a bit of a bet" that in the future people will actually start using these ethereal currencies in the real world, and perhaps even for their daily bread.

But Elsner's father, another sceptic, isn't convinced. He laughs: "My Dad is a professor and he still thinks I am trying to do an Airbnb for aliens."