# Article information:

Sustainability of PLU Rewards. Where do Pluton Rewards come from, and… | by Danial Daychopan | Plutus | Apr, 2023 | Medium
<https://medium.com/plutus/sustainability-of-plu-rewards-bb8ca4d1814a>

# Article summary:

1. Plutus customers have spent $300m in value with their Plutus Cards in the last 6 months, resulting in ~$7.5m worth of PLU Rewards.

2. The rate of users stacking PLU has outpaced the rate of PLU entering circulation, leading to sustained growth of PLU Rewards over the last 3 years.

3. The Difficulty Adjustment mechanism will limit the emission of PLU and extend the lifespan of the Pluton Reward Pool to over 100 years, while measures are being taken to prevent abuse of the Reward Pool.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

The article titled "Sustainability of PLU Rewards" by Danial Daychopan, published on Medium in April 2023, discusses the sustainability of Plutus' reward system and how it is expected to last for over 100 years. The author provides insights into where PLU rewards come from, how they are sustainable, and what measures are taken to prevent abuse of the reward pool.

The article starts by highlighting that Plutus customers have spent $300m in value with their Plutus Cards in the last six months, resulting in ~$7.5m worth of PLU Rewards. The author explains that Plutus created 20m PLU in 2016 to disrupt traditional reward systems such as in-store reward cards by major retail brands or Avios Air Miles where rewards are stuck within a single universe. The goal was to empower people by providing self-custodial rewards and give customers the freedom to use them as they please.

The author then explains that PLU enters into circulation from the Pluton Reward Pool, which currently holds the remaining 16.8m PLU (84%) out of the 20m total supply. Over the last year, Plutus' user base has grown exponentially due to increasing demand for higher reward rates. As a result, customers are now stacking over 77% (2.4m/3.1m PLU) of the circulating supply to access additional Plutus Card benefits.

The article also discusses how the Difficulty Adjustment impacts longevity and how it limits the emission of PLU by reducing the number of users who can easily reach higher reward levels that emit more PLU. With the current trajectory, the reward pool is expected to last for more than 20 years but is anticipated to exceed 100 years as the token becomes even scarcer due to its unique use-case within the Plutus app.

However, the article does not provide any evidence to support the claim that the reward pool will last for over 100 years. It is also unclear how the author arrived at this conclusion, and there is no mention of any potential risks or challenges that could impact the sustainability of PLU rewards.

The article also discusses measures taken to prevent abuse of the reward pool, such as manual audits and auto-refund reviews within 45 days of purchase. The author acknowledges that the manual process is cumbersome for both customers and the team and mentions plans for an automated solution where both transaction audits and withdrawal processes will be much smoother.

Overall, the article appears to be promotional in nature, highlighting Plutus' success in achieving product-market fit and establishing a strong business model foundation without external VC funding. While it provides some insights into where PLU rewards come from and how they are sustainable, it lacks evidence to support some of its claims and does not explore potential risks or challenges that could impact the sustainability of PLU rewards.

# Topics for further research:

* Risks and challenges of self-custodial reward systems
* Impact of increasing demand on reward pool sustainability
* Comparison of PLU rewards to traditional reward systems
* Potential impact of regulatory changes on PLU rewards
* Analysis of Plutus' business model and revenue streams
* Future plans for Plutus' reward system and app development

# Report location:

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