xx Network Community Announcement:

xxPostage (v1.0) System

We're excited to share some pivotal updates regarding the xx network postage system.

As we always strive to create an efficient and user-centric network, these updates will pave the way for a more streamlined user experience.

We will be referring to this implementation of postage as Postage v1.0 as it is an important step on the path of incentivization for the network and its further decentralization.

Current System Overview:

At present, the xx network classifies users into two primary groups: "free" and "unlimited."

- _Free Users:_ These members have a messaging limit. Think of this as a bucket capable of holding up to 1 million messages. Each day, 10,000 messages escape this metaphorical bucket, allowing space for new messages. Thus, after hitting the 1 million message mark, one would have to wait for space to send more. In real-time, this translates to about 7 new messages every minute.
- _Unlimited Users:_ Those within this category don't have a messaging limit and can send as many messages as they wish without waiting.

The criteria for these classifications are currently determined by a central server, which subsequently communicates the rules to all gateways.

The "Postage v1" Proposition:

In line with our constant endeavor to enhance our user experience, we're considering implementing a system that allows users to pay for the 'unlimited' privilege. This would mean a monthly fee for unrestricted messaging. However, this step might only be essential if we decide to reduce the 'free' tier's limit, perhaps from the current 1 million messages to, for example, 10,000.

Demystifying "Text Messages" vs "Data Messages":

A great question has been raised in the community: *Why would anyone need to make 7 text messages a minute, and how is that justified in a free tier?*

Imagine you want to send a large piano from one city to another. The piano is too big to fit in one truck, so you divide it into smaller pieces, pack each piece in a separate box, and send them all to the destination city. Once all the boxes arrive, the piano is reassembled to its original form. In the world of computer networks, this piano is like a "data message." It's a piece of information that gets broken down into smaller packets for easy transport and then put back together at its destination.

Social Media Text Message:
Now, think of a postcard you send to a friend while on vacation. It has a short message and maybe a picture. This postcard is like the text message you send on social media. It's a specific type of information you want to share.

Connecting the Two:
When you send that social media text message, behind the scenes, it's transformed into a "data message" to travel across the internet. It gets broken down, sent in packets, and reassembled, just like the piano. So, while the social media text message is the content you're sharing, the way it travels on the internet is through the process of data messaging "data packets". In essence, every time you send a text on social media, you're actually sending a type of "data message" on the network, but the content of that message is your social media text.
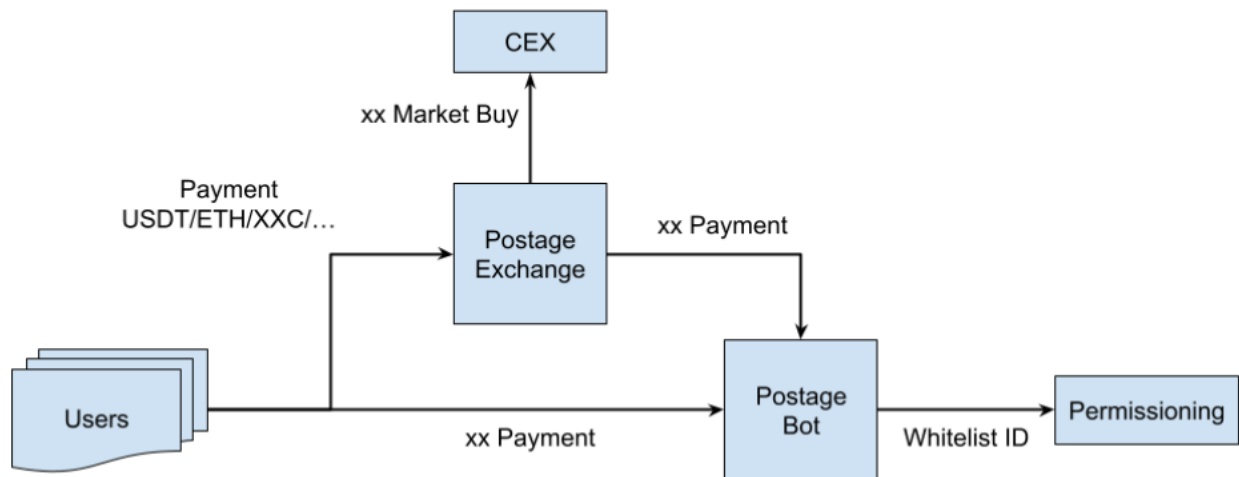
Thus, messages in the context of the xx network can mean a single social media "text message" if the data of that text message, as a data packet, is small enough to fit into one "data message". If it is too large or includes a photo, video, or multiple items that are large, it will be broken down into multiple "data messages".
This is why 7 messages per minute, or something in that range is not unreasonable for a free tier of usage on the xx network, since postage is applied to "data messages"..

Postage v1 Financial Mechanics:

Our aim with the new postage system is twofold:

1. To generate additional rewards for our network's validators contingent on network activity.
2. To introduce a payment mechanism, supervised by The Foundation, which may initially accept payments manually and offer currency exchange services for those wishing to pay in other denominations apart from the native xx token. This convenience would come with a marginal additional charge yet to be determined.

Pricing Strategy:

For the 'unlimited' tier, we're contemplating a standard fee, potentially set at $1/month. The amount in xx would correlate with its prevailing market rate. If utilizing The Foundation's currency conversion service, the cost might slightly rise, say to $1.10/month as an example.

The introduction of the xxPostage (v1.0) system signifies a deliberate stride towards bolstering the sustainability and economic health of the xx network. A deeper dive into the distinctions between "text messages" and "data messages" reveals that even routine messaging, such as those on social media platforms, results in a considerable volume of data messages traversing the network.

Recognizing this, a tiered system becomes imperative. It provides users with the choice of a "free" tier, which comes with specific constraints, or an "unlimited" tier available for a nominal fee. This monetization approach not only serves as an enticing proposition for users desiring uninterrupted messaging but also channels rewards to the network's validators for their work. This dual advantage ensures both the sustained evolution of the network and its ongoing enhancements.

Furthermore, by introducing a currency exchange service, the Foundation is expanding its appeal to a more diverse user demographic, pushing the boundaries of inclusivity. In sum, the rollout of xxPostage v1.0 is a visionary move, underscoring the network's unwavering dedication to delivering value to its users, all while safeguarding its trajectory of growth and stability.

Warm regards,

The xx Foundation