

Inside facebook and stellar (xlm) partnership: why the secrecy?

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Stellar (XLM) has been in the news for all the good reasons of late. This time, it is among a list of crypto verse projects that Facebook has talked to in a bid to explore ways of the giant social media platform can gain inroads into the market and challenge Wall Street. Blockchain uptake is on the rise and social media is developing a soft spot towards its adoption.

Stellar Lumens is an open source outfit that is growing in popularity and this is an opportunity for the showcase its prowess in its cross-border payment front. Unlike the old generation cryptocurrencies, Stellar has underutilized opportunities that Facebook can take advantage of should the talks settle on the ecosystem as the preferred choice.

Stellar and Facebook Collaboration Implications

In the event that the Stellar-Facebook deal works, both players are set to benefit. Stellar has the technology and a native coin to act as a medium of exchange while social media monopoly has the numbers and global reach. A blockchain backed Facebook can be a nightmare and a disruption to existing bank payment system.

Stellar is not a shy players in the payment arena if the IBM collaboration is anything to write home about. In a recent Facebook job posting, the upcoming crypto verse giant is quoted as having posted: Stellar is among the crypto verse players Facebook has approached and the talks are still in their early stages to determine who is to be the preferred pick. With the increased interest in blockchain, the project that Facebook picks will have a

strategic partnership to drive it to the epitome of the cryptocurrency markets.

Facebook Talks with Several Crypto-sphere Outfits

So far, there are only scanty details about the talks but Facebook, led by PayPal for executive, David Marcus is focusing on meeting open source payment backed networks and obviously they are looking for the right fit for their blockchain project and Stellar has an edge over the other candidates.

Marcus has a rich experience in the currency payment sector and coming from PayPal means a lot when it comes to cutting a deal with blockchain entities. Whether the deal goes through or not, it is clear that Facebook matches Stellar in its ambitious project to share global banks.

A large percentage of Facebook users and fanatics are using cryptocurrencies and a link between the social media platform and blockchain is missing. To tap into the free flowing digital assets, Facebook is looking for a bridge putting Stellar as the frontrunner for any future partnership.

Why Would Facebook think of Blockchain and Stellar in particular?

Stellar appears to have the best value proposition for the social media outfit and with the traditional bank snail-pace rate to adopt new technologies, Facebook is driven by near real time transactions speeds, transparency. According to JPMorgan report on using blockchain, it only takes few seconds

to send payments internationally through Ripple compared to five days with the fastest bank.

This is not the first time Facebook is collaborating with an open source platform. They have had a good run with React, a firm that utilizes open source based language to sustain the social media platform. Getting partner of repute who is already established in the market makes more sense compared to building their own blockchain from scratch.

Stellar Insider Confession

According to a Stellar insider privy to the talks, Facebook is in need of a system that will provide a distributed ledger service that will enable them record payments and other transactions. This will also help them detect fraud easily. Facebook merchants would also connect to the network as it offers the best Swift payments and integrates seamlessly with banks.

The insider adds: However, Facebook is playing its cards close to their chest and have played down the possibility of riding on the Stellar systems to pose a threat to the existing banking institution's networks. After the news were made public, XLM price surged by 8%. This is a clear show that the crypto user masses are ripe for a partnership that will change the lives of billion users globally.