Open Information Enterprise Transactions: Business Intelligence and Wash and Spoof Transactions in Blockchain and Social Commerce

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Abstract

This paper investigates what are referred to as "open information transactions." Such transactions are in contrast to traditional transactions where typically, two parties to a transaction are the only ones with information about the transaction. For example, in a sale, the seller and the purchaser typically are the only ones with information about the transaction. However, some emerging technologies, such as blockchain accounting, supply chain social media and hashtag commerce are making information about the transactions potentially openly available to others. This paper investigates some of the implications and strategies that include the use of that open information. For example, open information in accounting and supply chain transactions provides the potential for both business intelligence analysis of the information and possibly misleading and illusory transactions, analogous to those that have garnered the recent attention of the Justice Department in cryptocurrencies. Finally, this paper suggests that blockchain transaction processing will provide reliable information in those settings where there is a "single truth" feed of information flow for the phenomena of interest, no ability to do off-blockchain transactions (or a large penalty cost) and limitation to a single identity for each enterprise on the blockchain.

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