

Business adds Bitcoin as payment option

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ROCKINGHAM — Bitcoin has arrived in Richmond County, and Jason Buckner says the first business to accept the Internet currency for payment is Frutke (pronounced “froot-key,”) a local Web development firm.

Buckner, who is Frutke’s president, said no one has paid him for services with the digital currency yet, but with online companies like TigerDirect and Overstock.com recently accepting Bitcoin payments, he expects it to catch on.

While Bitcoins have been around since 2009, what they are remains a mystery to many people. So, what is a Bitcoin?

Bitcoins can’t be touched or seen. They inhabit open-source peer-to-peer software linking thousands of computers via the Internet.

Like credit or debit card numbers, Bitcoins represent value that can be traded between individuals and companies for goods and services; but unlike credit and debit card transactions, banks are bypassed and fees and taxes avoided when Bitcoins are used.

There is some stigma attached to the use of Bitcoins. Strongly associated with the dark side of the Web where illegal goods are bought and sold under the authorities’ radar, Bitcoin use raises suspicions in many people.

“A lot of criminals do like to use it,” Buckner said. “That stereotype has some truth. It’s an easy way to turn money into another type of currency. It’s also untraceable.”

The market for trading in Bitcoins is volatile, with exchange rates swinging from lofty highs to sobering lows at times. The current value of a Bitcoin is about \$445. In the past, it has been more than \$1,000 and less than \$200.

Buckner said in some ways, it is similar to the stock market for those looking at Bitcoin as an investment opportunity, but it’s a risky endeavor.

For consumers and vendors, however, Bitcoins provide a convenient and less expensive way of doing business.

“Since many of our clients sell things online, Bitcoin seemed like a great way for them to cut down on fees usually associated with accepting credit and debit cards,” Buckner said. “We (my wife Merrielle and I) were attracted to it because it’s new and very cool, but it was as easy as setting up a digital wallet and getting our GUID, or globally unique identifier. That’s sort of like your bank account number in the Bitcoin world.”

Bitcoins are not sanctioned or regulated as money by most governments, though Germany formally defined them as “private money” in late 2013. The U.S. Department of Justice also recognizes Bitcoins as a valid means of exchange. This does not affect their legality in any way, since people are free to trade anything for anything else.

“Probably none of our clients will ever pay us using Bitcoins, but we wanted to put it out there,” Buckner said. “Everyone pretty much uses our card reader, PayPal or mails us a check.”

Since 2009, Frutke has built websites from WordPress themes for friends, family and small businesses in the area. What began as a part-time venture grew into a full-time business for the Buckners. Merrielle still works part-time at the Richmond Community College Small Business Center because she enjoys working with other small companies and entrepreneurs.

They decided on their unusual company name “because it sounds like the Russian word for ‘fruit,’” Buckner said. “We like to think that what we do will bear good fruit.”

Frutke specializes in what most website designers won’t touch: content.

“Most websites are created empty, just blank,” Buckner said. “The people who pay the designer just pay for the shell, then they have to fill it all in with information. We’ll write your content, all of it. We spend time at the place of business and find out what they do. We’ll do the photography, take pictures of your stuff and populate the website template with content.”

Buckner says there are probably other people in the county who are curious about Bitcoins, or who have used them in online transactions. Their usefulness will depend on how many if those people adopt Bitcoins to buy and sell in their own businesses.

“This Bitcoin stuff, it may be silly,” Buckner said. “It may be a marketing thing. But the reason I do it is because it’s interesting to me, and may be useful to clients in the future. I wouldn’t call myself an early adopter, but I am a problem-solver and I like to know what people are using so I can see where the problem areas are.”

For more information about Frutke, visit www.frutke.com.

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