



# ZOIDCOIN NETWORK

A decentralized advertising network built  
on top of a blockchain based marketplace.

## WHITE PAPER

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## Abstract

Most of the digital marketing budgets are currently spent on middlemen who move the data of individuals around in a loop of commissions. These inefficient yet cumulated marketing efforts result in **a higher overall cost for products and services**. Not only do individuals get their data grabbed off them, but they even pay a price for it with every purchase they make.

The blockchain technology allows for real micro-economies to exist inside platforms and its transparent nature allows for conversions to be tracked beyond anything we have experienced before. **Maximum efficiency in advertising can be achieved** by making both buyers and sellers aware of the consequences in a microeconomic system that tracks and rewards the benevolent stakeholders.



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# 1. GENERAL CONTEXT

To understand the context where Zoidcoin comes in, let's teleport back to a time when digital marketing did not exist. The picture we see is that **TV advertising is saturated and obsolete**: it is so expensive that only the biggest businesses can afford a couple of seconds of advertising in prime time. Due to the expensive nature of the exposure, the creative industry booms and ads are becoming more and more expensive to create, as businesses battle in advertising budgets.

This goes on for years due to the technical landscape of the said period. The **population starts to experience ad fatigue** and begins to channel hop every advertising break, maybe as a form of rebellion against being bombarded with ads. Without being aware, we as an industry are fighting against ourselves, we are making advertising less efficient and more expensive and it is well known that the end consumer always supports 100% of the advertising cost.

The technical landscape has since evolved and **digital marketing is now a reality**. Larger businesses have a slow decision-making process, so this new technology benefits smaller businesses at first, thus bringing the marketing power back in the hands of the people.

We now move forward and see the first cycle of digital advertising: it starts with e-mail marketing. Almost free at that point, it becomes abused and the open rate falls dramatically due to people being spammed. It is followed by the pop-up and banner ads cycle: highly inefficient at first because cookies are in early development, **people are being served random uninteresting ads**. Fortunately, banner ads are relatively cheap so the only thing that is affected yet again is the user experience – and then ad-blocks become a thing and spoil the party for the advertisers.

Small businesses start to move the budgets to 'search marketing' and because of their success, a whole different era begins, an era where **middlemen are once again in control**. Larger companies start to pour money into google ads, google ads become more expensive and inefficient for smaller businesses. They try to fix this with SEO, but SEO also becomes very expensive quickly: trying to fool algorithms becomes a very difficult and expensive process. The big companies follow the trend and start to invest in SEO, digital marketing budgets now look more and more like big media budgets.

Demand generation is the last resort of small businesses and Facebook ads work wonders for them. That is until large publications start to pour huge marketing ums into Facebook ads and increase bidding prices tenfold.

This is where we are now. All the aforementioned methods work together through cookies that track every move we make and serve us ads accordingly. Theoretically, advertising is more efficient

this way, but **there is no actual positive impact on the price of the products and services**, because most of the advertising budget goes to the middlemen who know how to create efficient ads on these very complicated platforms.

**We came back full circle and are now where we started.** With TV commercials you could at least leave the room until the broadcast was finished, but with current digital advertising you are inside the TV, you now live in the channel, and you are paying for it.

We rebelled against this system, and now, **starting May 2018, users can opt out of the digital tracking through cookies.** By doing this we get the worst of both worlds: companies will target us with the information they already have on us and our old desires will haunt us forever. As time passes, the information will be less relevant and the ROI on ad-spend will decrease, resulting in an increase in the cost of the end product or service. Another cycle has ended, making room for a new one to start.

By now, it is clear that **the system has deteriorated.** We're in a paradigm shift and along with other businesses, such as **BAT, Datum, and Insights Network**, we aim at finding the best solution.

## 2. MARKET

### 2.1 Problems

Disruption arises when current solutions create more problems than they solve. We have identified several problems the current market stakeholders face. We have split them into **two categories as follows**:

#### 2.1.1 Users

There are two major problems that we face as consumers and they both originate from the fact that we are not the owners of our private data.

The first problem is that **our privacy is being breached** and this problem is discussed more and more, especially among Facebook users who are claiming to see ads about brands and products that they've mentioned in face to face conversations. People are not on social media to be sold products and services, people are there to find out news about their friends, to communicate ideas to them, to consume media content, so Facebook is a better tool for content spreading than direct deals.



The second problem lies with the owners of our data and what they do with it. **Our data is being sold to middlemen** who sell it to other middlemen in an infinite loop. This increases the cost of advertising exponentially since middlemen work by adding a commission fee over the initial fee, thus creating a loop of commission fees. The added value is always lower than the resulted commission value, proceeding to an overall lower ROAS (return on ad-spend).

**A low ROAS has a negative impact either on users or on small businesses.**

Larger businesses tend to adopt price tactics: they sell huge quantities so that they can afford to increase the price by a small percentage and balance the low ROAS - not only did we trade our privacy for nothing, we are also paying to see those ads.

## **2.1.2 Businesses**

Smaller businesses sell less so the decrease in the return on ad-spend (ROAS) means that **the increase in price must be higher in order not to sell at a loss**. This results in them being uncompetitive and thus being forced off to other, not as popular channels.

Arguably there are some niched businesses that still thrive on Facebook, but even those are at the mercy of the larger companies: if major companies decide to go for that niche, the smaller businesses will face the same previously explained situation.

Facebook is a great tool to grow brands. Sadly, this is a very long and costly process that smaller companies working with low overhead costs cannot afford. The offline conversion process for Facebook is a nightmare so for many businesses it becomes costly to even track conversions properly, especially considering Facebook's constant struggle with accurate data reporting.

History is repeating and, just as **hypermarkets took over the market and made smaller shops obsolete, the same is happening in the digital world.**

Amazon's thirst to improve its brand comes from their ambitions for lateral growth. They wanted to become more than an e-commerce platform, so they imposed unfair rules to the businesses marketing on their platform, benefiting only the users in a very imbalanced scenario. Users with Amazon Prime are known to sometimes order 10 pieces of the same product just to be able to pick the "best" one. This results in a high number of returns, making it very hard for smaller businesses to cope with stocks and costs in the case of products with open packaging.

Oligopoly creates monsters and the more platforms like Facebook and Amazon grow, the more **they are able to impose absurd rules.** A good example is Facebook's fight against crypto and the blockchain, as it has become impossible to even raise traffic for a blog post about blockchain technology.

## 2.1.3 Industry Problems

Currently, the Facebook pixel tracks you wherever you go. This helps Facebook match your demographic data (that was required for you to fill in during the registration process) with your actions. This way, Facebook can sell your data to businesses advertising on the platform. This goes even further: if a website has Facebook pixel installed, the owner can create a custom audience of all the people who visited the website and ask Facebook to find similar people. The targeting options are endless, you can even target users based on their actions on your website (time spent, pages viewed, custom funnels completed).

**Starting May 2018 GDPR kicks in**, and users from the EU can actively opt out of being tracked by cookies. This means that businesses cannot retarget the users who opted out of being tracked by cookies. This is disastrous for the retargeting industry and to survive they will most likely use the user's data from the last day of tracking and with the help of big data match it with similar profiles from the US where users are still tracked. This means that a group of X users from the EU will be targeted based on the evolution of the Y users from the US with whom they have been linked with based on similarities.

Due to the differences in culture, the results can go in two directions: either the advertisers get bad responses to their campaigns, or they spend so much money on the bad campaigns

that they get to force the US trends on the EU users. As users are more and more aware of their right of privacy, the cookies opt-out process will roll out to other countries as well. As a result, **all the data available on users will become outdated**, so the platforms must employ complicated AI to try and simulate the evolution of the users to target them properly. As expected, this will result in users being haunted by their old interests and desires.

This shows us that at some point, **platforms will need to offer its users benefits in exchange for their privacy**. Until this happens, a lot of marketing budgets will be spent on low performing ads and the increased overall cost will affect the users and small businesses the most.

## **2.2 Industry Challenges**

Change comes with many challenges, so we have identified three major issues that the current industry stakeholders must tackle in their quest for a fairer advertising model: **the users are not rewarded for their data**, **there are too many middlemen** which increases the costs of the advertising, and **the platforms lack focus**. Let's review these three core issues:

### **2.2.1 The Users Are Not Rewarded for Their Data.**

One way to solve the cookie crisis is to reward users in exchange for an insight into their buyer needs and desires.



Even if some platforms wanted to give something back to the users, this would currently be difficult due to the big costs associated with micropayments. Furthermore, users are skeptical, they don't want to give their bank accounts data to the respective platforms.

### **2.2.2 Too Many Middlemen Clog the Industry.**

This is quite a difficult task since the whole industry has grown this much exactly because of the influence of these middlemen. Current platforms have an increasingly rigid user experience and a complex set of rules; thus, businesses must rely on high-cost digital agencies for ads. The current system does not reward users for interactions with ads - **to grab the user's attention, businesses spend exponentially on complex campaigns.** This is by far the biggest challenge the industry faces, as platforms rely on middlemen to bring onboard new clients that spend money on advertising.

### **2.2.3 The Platforms Lack Focus.**

To reward the users, **platforms must share a part of their revenue with those users.** This means that they either cut costs somewhere else or increase the prices. Increasing the prices would defeat the purpose since the whole idea is to lower the costs. This can be quite difficult because the platforms have grown immensely both in number of active users, and in employees. Platforms such as

Facebook have become rather complex: they are multipurpose, but their main function is not selling products and services. Because of the complicated review process, Facebook cannot rely on automation and AI. So, following the latest political troubles, Facebook had to hire thousands of new employees to review content in order to avoid political manipulation.

Large businesses have a hard time coping with change, especially when the change comes at a fundamental level - the system must be rebuilt with other goals in mind.

**Another cycle is ending**, opening the opportunity for market disruption.

### **3. THE ZOIDCOIN SOLUTION**

*“Meaningful innovation does not need to be based on outright invention. Rather, there is **an exhilarating shortcut**. It is based on bold, new combinations of already existing components that simultaneously unlock heightened levels of consumer value and reduce costs.” (Gabor George Burt)*

Our goal is to create **an advertising platform that combines search marketing with demand generation**: by making use of game theory, and of supply and demand mechanisms, the platform creates an environment that is fair to both buyer and seller.

As previously stated in the "Market" chapter, we find that there are three big problems the industry is currently facing: rewarding the users, cutting out the middlemen, and maintaining focus; we also need to drive adoption. Completing our goal is solely dependent on solving the four issues. We have explained our solutions as follows:

### **3.1 Rewarding the Users**

Due to having their screens full of ads for a very long time, users are immune to most types of ads, they almost completely ignore sidebar banners and pay little attention to in-line ads. Most of the user attention goes to the very expensive video content, but this is a solution only big brands can afford. The reason for the extreme costs of grabbing user's attention comes from the concept of grabbing itself, which implies that the users do not want to give their attention, so efforts are made to grab it.

**We are building a system that rewards users for their attention** so that they offer us their full attention instead of us grabbing it.

Users are rewarded with Zoidcoin (ZCN) for allowing us access to their data, interacting with the platform and final conversions.

### 3.1.1 Allowing Us Access to Their Data.

User data is the fuel of digital marketing and we think **it is only fair that users get rewarded for their data**. They should be able to choose how much data they share with us so we have created three types of users: **BASIC**, **ENHANCED**, and **PRO**. They are classified based on the level of data they share with us, the level of interactions with ads, and final conversions.

Users have to complete a KYC process because **our tokens are exchangeable on the open market**: this ensures that our data is accurate and that no bots can take advantage of our system. The platform can even offer travel deals so the KYC is essential for a streamlined purchase process.

BASIC users fill in the mandatory KYC data and also some basic demographic and interest data. ENHANCED users give us a better insight into their desires as consumers: brands they like, products they wish to buy, and places they want to visit.

This allows us to create the best possible deals, offering people the opportunity to become PRO users by making final conversions (purchases of any kind). There are one-time rewards for becoming a BASIC user and **rewards each time a user levels up** (from BASIC to ENHANCED and from ENHANCED to PRO).



### 3.1.2 Interacting with the Platform.

Our goal is to lower the overall costs by making advertising more efficient. This is a long and hard process that requires the effort of all the involved stakeholders: the buyers, the sellers, and the platform.

Ads that don't convert increase the overall costs for everyone so **users are rewarded when they give feedback on ads**. They can inform us that they no longer want to see a certain brand or model or maybe they are not interested in a certain travel location. The ads come as a response to the user made data profile, but people change their minds all the time and we don't want users to see ads they no longer care about as much as we don't want advertisers to spend money on ads that the people do not want to see.

Users are able to create wish lists where they can choose a product, service or destination and the estimated time period or purchase. This **gives the sellers the insight on what to offer the users**. Those sellers that grant the wishes of the buyers by making a special deal for a specific product, are also rewarded – for example a limited number deal just for the users with the product on that wish list. All this effort helps us, the platform, know what the users want, thus seeking to create partnerships with new sellers and accelerating adoption.

Interaction-based rewards are earned according to the user type. For the same actions, the PRO user is rewarded more Zoidcoin than the ENHANCED user, and the ENHANCED user more Zoidcoin than the BASIC user. Our hope is that all of our users become PRO at some point.

### **3.1.3 Final Conversions.**

In our wording, we alternate user with buyer and business with seller: this is because without final conversions, our final goal of making advertising more efficient cannot be reached.

Users are not here to socialize and businesses are not on the platform to share political views: the sole purpose of our platform is to match buyers with sellers in the most cost-efficient way. Just think of us like **the Tinder of buying and selling**.

**We want our users to convert in a short period of time.** This makes the administrative job a lot easier for the sellers, thus driving the prices down, even externally. We have set up time-based conversion rewards, so we encourage our users to use their earned or bought tokens.

Our micro economy is set on blockchain so all the transactions are forever transparent and this allows us to track conversions perfectly. Businesses advertising on the platform have access to the data and therefore helps them adjust everything to make purchases of any kind as swift and as cheap as possible for all parties involved.

Both buyers and sellers are considered users of the platform, therefore the companies are also rewarded when purchases are made. We've detailed this in the "Cutting out the Middlemen" section of the whitepaper, below.

### **3.2 Cutting out the Middlemen**

It is very difficult to make good performing ads on the large platforms because the advertising rules and the ads manager change drastically and at a fast pace. In the current bidding system, the higher bidder wins the right to display the ad at the desired moment. This system favors large companies who employ middlemen to offer them insights about the industry's bid levels, allowing them to have better performing ads than the smaller businesses.

There are still people who achieve great results in these complicated systems, but at a great cost. These are the middlemen we want to cut out. To achieve this goal, we will develop an easy to use ads manager, a simple set of rules, and a meritocracy-based ad display system.

This allows **businesses to make their own ads without impacting the user experience in a negative way.**

### 3.2.1 The Ads Manager

Businesses registering on the platform fill in details that allow us to sort them by industry. We will create **ad templates by researching industry's best practices** for each of the industries that can advertise on the platform.

Each of these sellers has access to the category-specific ad templates, allowing them to create great ads by filling in the required text and images without having to worry about the layout.

Users see ads based on their requirements, and as we already have their attention granted to us, all we need to do is feed them an easy to grasp value proposition in a simple and clean ad format.

We will help businesses learn how to make **great performing ads on our platform** with industry specific step by step tutorials.

### 3.2.2 Advertising Rules

Form rules are required to maintain a high user experience standard, while content rules are all about avoiding malicious content.

Form rules are logical and straightforward. For example, the ads need to be simple and look good, therefore the maximum number of characters for the text will be low while the required



resolution for the photos will be high. A good example of this method working is Twitter's character limit.

We use text and image crawlers to ensure that content rules are also met. Using game theory, we remove the bad actors, and this allows us to create simpler rules without the fear of a bad user experience.

Since **our users are rewarded for giving feedback on ads**, they are the actual judges of the more controversial ads. Businesses are required to keep a number of tokens at stake so that if they breach the rules on certain aspects (unrequired nudity, gore, etc.) some of their tokens will be sent as a reward to the users who have reported the ads. This makes the seller less likely to risk breaching the rules and more likely to follow our guidance.

### **3.2.3 The Ad Display System**

The whole point of Zoidcoin is **reducing costs at a macro level through efficient advertising** so clearly the current "highest bidder wins" model used by other platforms is not a solution. Users currently suffer from ad fatigue because they are being constantly spammed with ads: this results in them ignoring most of the ads. Our goal is to find **the perfect balance between the number of displayed ads and end conversions**.

For this to happen we seek to place three major advertising variables in perfect balance: ad placement, ad frequency, and ad quality.

### **3.2.3.1 Ad Placement**

Ad placements vary in performance. For example, sidebar banners have an average click-through ratio (CTR) of 0.05%, while the average CTR for Facebook ads varies from 0.6% to 1.6% depending on the industry. This means that for every 1000 ad displays you will get 0.5 clicks from sidebar ads and between 5 and 16 clicks on average for Facebook ads. Combine this with an optimistic 50% average bounce rate and the result is 0.25 clicks from sidebar ads and from 2.5 to 8 clicks from Facebook ads, for every 1000 ad displays (impressions).

Multiply this with a very optimistic 1% end conversion rate and **the result is outrageous: 0.0025 conversions for 1000 impressions on sidebar ads** and 0.025-0.08 conversions from 1000 impressions on Facebook ads. Sidebar ads need 400,000 impressions for a final conversion while Facebook ads require between 40,000-12,500 impressions. The average CPM (cost per 1000 impressions) on sidebar ads varies between 0.10\$ and 0.80\$, this results in an end conversion cost between 40 and 320 dollars and this is no wonder since the ad was shown to approx. 399,999 people without a result. The average Facebook CPM in 2017 is 11.17\$ (171% increase over

2016) meaning that **a final conversion will cost between 139.6\$ and 446.8\$.**

From this theoretical exercise it is clear that targeting 1000 people is still cheap and that **the real cost comes from grabbing the user's attention.** Currently, the CPM trends upwards while the CTR continues to trend downwards as more and more users suffer from ad fatigue.

As previously explained, our system offers its users something in return for their attention and to maximize this, **our ad is placed at a moment of maximum attention:** the phone answer screen.

Whenever a user gets a call, a targeted ad is delivered to their call screen. For the brief period required for them to decide whether to answer or not, they see the ad. Once the call is over, the ad is visible again, this time with call to action buttons (**Call, Navigate to location, Add to favorites, Contact details**).

### **3.2.3.2 Ad Frequency**

Ad frequency is the number of times an ad is displayed to a user over a fixed period of time. The rule of thumb is that everything above 3 is too much, however this doesn't stop less experienced advertisers to reach frequencies of 30, thus increasing the overall advertising cost for everyone.

Our ads come up whenever a user receives a call and the user is rewarded with Zoidcoin for interacting with the ad. **We've mitigated**

the click farm risk by making the KYC process mandatory for all users, although there is still a risk of users being bad actors. To avoid a scenario where a bad actor could call itself from other phones and farm Zoidcoin on the expense of the platform and the businesses advertising on it, we have fixed the maximum number of ads to be displayed daily. The maximum number of daily ads is calculated based on the average phone calls per day for the certain demographic.

Ads come as limited time offers so, if the user does not interact with it, the ad will never be seen again by the user. If the user interacts with an ad, based on his interaction he will see the ad a certain number of times before it expires.

The idea is to offer a good value proposition for a limited period of time to create scarcity increase conversions. Sellers will be able to offer great value with the help of the Zoidcoin Deals program, explained below in the "ad quality" section.

### **3.2.3.3 Ad Quality**

For an ad to convert it needs a good form, a well-targeted audience, and a good value proposition. We've made sure that **businesses make great looking ads** by creating an easy to use ad builder with industry specific ad templates.

On the targeting side, we've assured **that we offer the sellers enough data to target the buyers** by implementing the user reward



system for data sharing. This way, users are not only targeted based on demographics, but also on explicit needs.

We are giving the sellers all the necessary tools to make great ads and, by offering them step by step tutorials, we are making sure that they also know how to use them.

Quality ads are crucial towards reaching our goal of very efficient advertising and to make sure the sellers make all the necessary efforts, we have built an ad rating system. **The sellers with the best rated ads pay less for ads**, while the sellers with poor performing ads pay more and are therefore prompted with suggestions to improve their ads. We are not planning on making money from low performing advertisers since this is a zero-sum game and all the extra charges made from bad advertisers go to the high performing advertisers as advertising discounts.

The ads rating is calculated from internal metrics, user feedback, and final conversions.

Great looking ads and bullseye targeting will bring users' attention but, in the end, the value proposition is responsible for the final conversion. We've tackled this matter, so to help the sellers we have created Zoidcoin Deals.

**Zoidcoin Deals** is linked directly to our core vision. Essentially, we are giving a high percent of the profit back to businesses so they can provide users with great deals, thus undercutting the competition outside the platform.

Simply put, businesses get a big portion of their ad-spend back so they can offer special deals to the buyers. If they choose to support the discount themselves, we reduce their advertising cost accordingly.

We make sure that **sellers don't make fake discounts by using price crawlers** both in and outside the platform.

### **3.3 Maintaining Focus**

Our goal is to maximize efficiency to the point where **Zoidcoin Deals allows sellers on the platform to undercut their competition** outside the platform. Zoidcoin Deals is directly funded from the profit: put in a simplistic way, the profit is the difference between earnings and costs, so this means that we need to increase the earnings and decrease the costs. Our earnings come from advertising and in order to increase the earnings we need to charge more for advertising. However, this cannot be a long-term strategy because it defeats our end goal: to **decrease the overall costs**. We are therefore left with decreasing our costs to maximize the profit.

Our goal is to create an app that matches buyers and sellers in a measurable and cost-effective way. We stay away from more complex brand awareness content as it is less measurable and requires manual review to avoid malicious content.

Building an app with simple and clear use cases allows us to create step by step tutorials for all the scenarios and program chatbots to deliver the information when requested.

Using automation for the simpler tasks allows us to spend bigger budgets to employ the best talent for the most complex tasks, such as **creating a microeconomic system governed by smart contracts**.

### **3.4 User Adoption**

All of our above solutions are in vain if we don't take into consideration driving user adoption. User adoption for such disruptive technologies is no easy task when you consider driving adoption beyond early adopters. We think it is very important to drive adoption throughout all the age spectrum, especially to the users that are usually laggard (the older generations).

Picking the "Phone" app to display our ads is no coincidence. We chose to have this display method because **the "Phone" app is a bridge through all generations**.

This app bridges the way different generations use their smartphones and becomes a common ground when they communicate amongst each other. This solution has proven to work in our proof of concept test with "Mobzoid": a large portion of our user base is part of the older demographic.

With "Mobzoid" we have laid the foundation for real adoption by making partnerships with businesses that wanted to test this type of advertising while integrating our then centralized coin in their business processes.

A centralized coin posed many dangers. This why **Zoidcoin is now on the blockchain**. It has all the benefits of the blockchain: safety, fast transfers, listing on public exchanges. This take us closer to real user adoption and we are already having an easier time signing new partnerships.

## **4. THE ZOIDCOIN PLATFORM**

This chapter is a collection of previously presented information about the platform.

**Zoidcoin is a decentralized advertising network** built on top of a blockchain-based marketplace and it is the natural result of applying all the solutions we have previously presented.

### **4.1 User Profiles**

Our users are split in two categories so let's explain the platform from both perspectives.

#### **4.1.1 Buyers**

The buyers use the platform to take advantage of the rewards they receive (for their data and for using the platform) and also to



take advantage of the **deals that result from our efficient marketplace.**

When the buyers register on the platform they first complete the KYC process and then they fill in data about themselves, including products and brands they like or destinations they want to see deals for.

The user receives an ad on the call screen whenever he receives a call. After the call ends, **the user decides what to do with the ad** by choosing one of the call to action buttons: **Call, Navigate to location, Add to favorites,** and **Contact details.** At the end the user gives feedback about that particular ad: **See more from this brand/seller, See less from this brand/seller, Report ad for misconduct,** etc.

**The user is rewarded for:**

- Allowing us to access his personal data.
- Interacting with the platform.
- Completing a final conversion.

Based on the amount of data they share with us and their interactions with the platform, **there are three types of users:**

- BASIC;
- ENHANCED; and
- PRO.

Buyers buy products and services from any of the sellers on the platform.

### **4.1.2 Sellers**

The sellers use the platform to **advertise, sell, and manage their products and services in a cost-efficient way**. All sellers willing to advertise on the platform must also enroll in the marketplace and accept **Zoidcoin (ZCN)** as a payment option.

Sellers must fulfill the legal requirements to register on the platform. Zoidcoin is a real marketplace with real world economic impact as the ZCN token is exchangeable on the free market.

In the **Ads Manager**, sellers can create ads and target the buyers based on the available data. The sellers must follow the advertising rules for form and content to avoid receiving a bad advertiser score. The costs for advertising are inversely proportional to the advertiser score, the lowest score has the highest costs.

Our dashboard can be used as an ERP, allowing sellers to track conversions and manage products and services.

**Sellers can participate in the Zoidcoin Deals program** by going through the necessary enrollment process. Once in Zoidcoin Deals, sellers can choose to offer buyers discounts and benefit from advertising discounts from Zoidcoin.

## 4.2 Zoidcoin Token (ZCN)

ZCN is a limited supply ERC20 token that can be used to purchase products and services both on the Zoidcoin platform and on any other platform willing to implement it as a payment method. ZCN is the only way to purchase advertising on The Zoidcoin Network.

The ZCN paid by sellers to Zoidcoin as advertising costs return to both sellers and buyers as rewards and discounts: ZCN is used to track conversions through the platform.

The total supply of ZCN is 700m, 420m are allocated for the ICO while the rest 280m will be used for rewards and other platform bonuses to help adjust the micro economy and drive user adoption.

## 4.3 Proof of Concept: Mobzoid

The Zoidcoin Network is the natural evolution of our proof of concept project, Mobzoid.

### 4.3.1 History:

- In 2014 we launched the first version of our app, it had basic functionality, users would see full screen ads whenever their received a call. **We made special deals with the businesses** advertising on the platform, so the incentive for installing the

apps was finding out about these special deals. We soon realized that to track the ad performance, we must issue our own coin and create a microeconomic system.

- In 2015 the **"Mobcoin" was released** and was used for partial or full payments of products or services in our partner shops.
- In October 2017 we launched our e-commerce shop **"Bilsho"** where our partners could sell their products free of charge. This is when we realized that having our own micro economy can help us track the ROI of advertising even better and thus adjust accordingly.
- In 2018, as the **"Mobcoin" showed accelerating adoption** and our partner network grew exponentially, concerns of us being a central point of failure emerged. We knew that if we get hacked, someone can release infinite amounts of "Mobcoin" that may damage our partner network.
- As decentralization is getting more and more traction, we have decided to **mitigate our centralization risk by moving to the blockchain.**

### **4.3.2 Accomplishments:**

During these four years we have learned many valuable lessons about managing a proprietary micro economy.



We have learned how to communicate with businesses and larger brands and convince them to be part of our micro economy. We have tested many scenarios and have seen how over 40,000 users respond to different types of incentives. All these experiences have led us into creating The Zoidcoin Network.

## **5. CONCLUSION**

The **Zoidcoin Network** makes buyers and sellers more aware of the consequences of their behavior in the market. Maximum conversion rate is achieved in a system where buyers are rewarded for offering sellers an insight into their buying needs and sellers are rewarded for fulfilling the said buyer's needs.

With the help of the blockchain's transparency and immutability we can achieve **an unprecedented level of accuracy in conversion tracking**, and at a very low cost.

Swift decisions from all the stakeholders in the market are the end of repetitive and inefficient digital marketing efforts.

**Join us to take one big step towards user privacy and fairly targeted advertising.**