

# Sponsify

Decentralized platform for event management and promotion of activities

## Whitepaper

### Summary

Sponsify is developing a decentralized P2P protocol for event marketing. The protocol allows you to reward users for the promotion of events and will create more efficient and economical model of event-marketing. In this way, Event organizers may not use the services of centralized advertising platforms / companies. The main feature of events (eg concerts) is that they involve the participation of people in different groups. Based on the Law of David P. Reed ( $2 N - N - 1$ ), a P2P marketing protocol based on reward will lead to a rapid mass distribution of crypto-tokens, due to the formation of a large number interactions between users.

Event-organizers need a result. Unfortunately, 73% of them are victims inefficient marketing, while 26.4% do not know which online platform to resort to. We offer the organizers of events such a marketing model, with which the user himself promotes the event and receives a reward for it. Moreover, everyone who bought a ticket is also rewarded, and a smart contract contributes to a fast, transparent and fair distribution of remuneration. Such a system, based on Reed's law, will have an exponential growth of interactions within the platform.

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## Introduction

Event-industry is one of the oldest industries in the world, which constantly develops. The US Bureau of Labor Statistics predicts the growth of the 44% for the period from 2010 to 2020, which exceeds the projected growth of other industries. Every day, thousands of events take place around the world. And all these events occur for various reasons. It should be noted that 79% of marketers in the US generate sales through event marketing ( Statista )

One of the biggest problems that Event-industry is marketing. Industrial statistics show that:

- 50% of vendors have a problem with people responding to invitations;
- 40% of the problem is related to drawing people's attention to Events;
- more than 30% can not minimize non-attendance at events;
- for almost 30% it is very difficult to attract people to events;
- more than 20% are faced with the difficulty of making an accurate list of those who will come to the event.

Platforms such as Google and Facebook have captured the world of online advertising and, respectively, have 54% and 45% of profits. Most event organizers use these platforms to promote events online, while Only 13.6% of the organizers do not have any experience of using the data platforms for their online campaigns. When using these platforms organizers face a number of problems. 73.6% of the organizers who use online tools to promote events, become victims of ineffective online advertising. For example, let's take a concert organizer Zhenya, who uses the CPC marketing model to promote concert. His main goal is the sale of tickets. Average price of Facebook ads with the CPC marketing model costs \$ 0.32. He gets 1000 clicks from Facebook, but only 30 people buy a ticket for his event. In the end, Zhenya spends \$ 320, then time as the real price of this marketing campaign is only 9.60 \$. Thus, Zhenya overpaid by 3333% more than it cost.

The CPA system can not interact with platforms such as FB or Google API, therefore, it is limited. The viral effect is of value only if, when people have a reason to share this or that information.

## Sponsify Protocol

We offer a social viral model for event marketing, where the vendor achieves the maximum result from ticket sales, since unlimited the number of people is rewarded

for the promotion of their events, while those, those who purchased tickets are also rewarded for being loyal to the platform. Each user, event and ticket has a unique ID, which is registered with the help of block technology.

It works like this: every event has a marketing pool in which vendors can allocate KCY tokens for reward-based marketing. After the launch campaigns, any user can click on an event, and a smart contract creates unique link for the user. Then, the user can share this link with your friends on social networks and get a reward, while creating a conversion (ticket sales or registration). Smart contracts track all transactions and automatically distribute the reward. All Transactions are safe and transparent, as they are controlled by block-technology.

$A_i = \{\text{all invited to the event } i\text{-th person}\}$   
 $a_j = \text{interaction with } j\text{-th person}$

$= + \text{ for all } j \ a_j \ 1 \ || \ A \ | \ i \in A \ a_j \ i =$

Remuneration  $i \ \sum_{j=1}^n a_j \ \text{POOL} * a_i$

Converting to the latex-code:

$A_i = \{\text{all invited to the event } i\text{-th person}\}$

$a_j = \text{j-th man interaction}$

$a_j = a_j + \frac{1}{|\text{A}_i|}; \text{ for all } j; a_j \in A_i$

$\text{Reward}_i = \frac{\text{POOL}}{\sum_{j=1}^n a_j} \cdot a_i$

## Example of use

Nastya organizes an event "A" worth \$ 100 for a ticket. She can buy 1000 KCY tokens on the crypto-exchange market and thus launch a transparent and Effective campaign to promote the event. Platform users.

Sponsify sees her event with information about the reward for promotion in the form of a certain number of tokens in the system. Participants have a motivation for promotion. Users will be able to invite their friends to events inside platform, and use unique links to promote others resources. Once the ticket is purchased, the system automatically calculates the fee tokens of KCY participants or a group of participants for the sale of tickets or registration other users on the event.

The technology of smart contracts ensures an honest division of rewards between users according to their contribution to promotion. Buyer stickets, get bonuses (Kickback) for the purchase of tickets on the platform Sponsify.

Users can use the fiat tools, Ethereum, Bitcoin and KCY for a lower price, since third parties will not be involved in the payment process (for example, banks) to pay for events. For each advertising campaign, among users who bought tickets, KCY tokens will be distributed from the pool.

This will encourage people to buy more tickets on the Sponsify platform and will provide distribution of the KCY token. The gas for the Ethereum block for transactions is also comes from a common pool.

## Pool Parameters

To ensure that vendors achieve the maximum result in distribution management pool, we offer different parameters for the pool:

1. The usual distribution of the pool. This model distributes all available tokens KCY participants after the completion of the event or ticket sales. Is not depends on the number of participants in the marketing campaign.

2. The cumulative distribution of a common pool. This model distributes compensation in proportion to the percentage achieved in time of the marketing campaign. Such a distribution is independent of the number participants. That is, if the result of the campaign (conversion) is 70%, then, Thus, 70% of the tokens will be distributed among the participants marketing campaign.
3. Pool allocation based on results. This model allows the vendor choose how many tokens (reward) the user will get for 1 sold ticket (for its result).

## **Marketing of the first level**

Sponsify-protocol was developed in order to conduct honest and transparent work. It is understood that the structure of P2P-marketing is not a financial pyramid. This is a one-level marketing. Each promoter receives an equal distribution tokens, if its result was equal to the result of other participants marketing campaign. The time for which the invitation was sent, or the order all invitations do not play any role in this system. However, the user, whose conversion is higher based on the links sent or successful invitations, earns more.

## **Multi-marketing of the first level**

First Sponsify protocol integration is designed to be a virus and quickly grow. Anyone can easily get a unique link that he can share and get paid at no cost. In the short term perspective, this is beneficial for the company, as more people will be use the Sponsify platform. In the long term, this can lead to spam inside the platform. Thus, once the Sponsify platform is more than 1 million users, the platform will be introduced marketing model of multi-level-1. This means that each invitation will be the minimum fee. We

prefer to call this card a "KCY token gas". After how a successful invitation will be made (ticket for the sent link will be purchased), this minimum fee will be refunded user. And, of course, he will receive a reward for the ticket sold. If will be sent an invitation, through which the ticket still was not purchased, then The minimum fee will be returned to the marketing event pool.

## **Reed's Law and Network Effect**

Reed's Law states that the "utility" of large networks can exponentially scale with the size of the network. The thing is that the number of possible subgroups of network participants is  $2^N$ , where N is the number of participants. Therefore, if the usefulness of the groups in which the participants are currently located, is very small for each group, ultimately the network effect of a potential membership in the group can dominate the overall economy of the system. The Sponsify protocol is designed to run millions of events, where each event is a subgroup with N participants. Activities of each participant and subgroup will be potentially useful for the entire system.

## **The acquisition of KCY by event organizers**

For simplicity and mass adoption, the event organizers will have 2 the main method for buying a token for marketing:

1. Exchange. Event vendors can purchase KCY tokens on exchanges by market cost.
2. Credit card or other payment solutions - a lot of event vendors not familiar with how to buy currency on the exchange. Therefore, for similar goals, the web page will allow event organizers (for organizers) to buy KCY tokens and directly transfer them to the pool Events. The cost of the KCY token on this page will always be higher than the value of the token

on exchanges. This is necessary in order for vendors to have motivation to buy tokens on the exchange.

## **White Label and integration**

In order to achieve rapid expansion and the subsequent introduction of KCY, we offer the right to use the services of a company under your brand through the API for integration of KCY with other platforms. We are confident about the future, where KCY is a universal token for the event industry.

We are developing an infrastructure that other Event-platforms can use to increase the sales of tickets, rewarding their users and improving social interaction at events.

## **Smart Token, based on the protocol**

### **Bancor**

KCY are smart tokens of the ERC20 standard, which are based on the Bancor protocol and provide asynchronous pricing, while maintaining a constant liquidity. They also use constant backup token ratios (BNT), which pass through smart contracts, acting as automated market-makers. KCY tokens will also be equally available to trade on crypto-exchange markets.

### **Advantages of smart tokens:**

- Continuous liquidity - as the purchase and liquidation is carried out with using a smart contract, smart tokens always remain liquid, regardless of the volume of trade;
- No additional fees - the only mandatory fees, applied by a smart token, is a payment for the block-platform (gas), which is relatively low;



- Because the price calculation is performed using a smart token algorithmically, the same price is used to purchase and eliminate smart tokens;
- Low volatility.

## **Sponsify Event Platform**

Sponsify is a developed social event platform based on the community, for event organizers and event participants. For the last year Sponsify was focused on building community events, providing organizers of events tools for creating, promoting and monetizing of their activities.

At the moment, the event industry is changing and Sponsify is one of the companies, which is able to accept these changes and become a leader in this industry. Yet a couple of years ago, tickets could be sold or purchased offline. But now buying and selling tickets are online. Today ticket sales comes to a new stage of development. Now this action is based on social interaction. Users do not just want to buy tickets, but they want to get acquainted and communicate with other participants of the event before, during and after Events. Thus, the event-platforms of the future will be completely built for participants of events and their interaction. Event-community centralized and decentralized.

## **Artificial Intelligence**

On the Sponsify platform, we use algorithms based on the artificial intellect, to provide personalized content to users. we reached 92% accuracy in the recommendations of events built on the social graph users in our platform, as well as their actions in other social networks.

## **Mobile app**

● [https://play.google.com/store/apps/details?id=com.Sponsifyapp.Sponsify](https://play.google.com/store/apps/details?id=com.Sponsifyapp.Sponsify&l)  
&l

● <https://itunes.apple.com/app/Sponsify-all-events-with-friends/id1124097475?l=en&mt=8>

## **Product Features**

- Admin panel;
- Analytics and sales report;
- Registration;
- Widget;
- Processing bitcoin and fiat tickets;
- Registration;
- The event page and social app;
- User profile;
- Varnishes;
- List of participants;
- Description of the event and contacts;
- Video of the event;

- Comments on the event;
- Chat in the event and comments. Company Status
- Graduates Y Combinator Startup School - we learned a lot about the creation of product;
- Microsoft Bootcamp Helsinki;
- received a grant from the Government of NewCo and Helsinki;
- Investments of business angels;
- We bring profit.

## Road map

- IV quarter 2016 - Launch of the first version of the Sponsify application
- Q2 2017 - Sponsify event platform + initial revenue
- III quarter 2017 - Development of blockbuster and Sponsify protocols
- IV quarter 2017 - Demo version and options for using the Sponsify protocol
- I quarter of 2018 - Crowdsale on February 1
- III quarter 2018 - More tests, development, launch of the API protocol
- IV quarter 2018 - Product growth

## **Budget allocation**

### **Marketing: 50% of the budget**

Our goal is to provide crypto currency to everyone on the ground.

That's why half the budget is focused on marketing. We already have leading marketers on our waiting list and as ambassadors. We will create a lot of viral marketing campaigns.

### **Development and team: 30% of the budget**

At the moment the team consists of 10 people, but we intend to increase the development team and create a marketing department in order to achieve great results. We are already recruiting to our team and choosing the best of the best.

### **Administrative costs: 13% of the budget**

All administrative expenses, which include legal, accounting, office expenses, as well as expenses for security and others.

### **Force majeure: 7% of the budget**

For us, as for any company, it is very important to be prepared for unforeseen expenses.

## **Selling tokens (1 KCY = 0.10 USD)**

- Target: 12.5 Million USD;
- Start date: February 1, 2018;
- 1 KCY = 0.10 USD;
- 160 million tokens will be available for sale on the Krausefile;
- We will accept Bitcoin and Ether.
- 500 million KCY tokens will be created;
- 160 million tokens will be sold during the Crowdsale, and all unsold will be destroyed;
- 100 million tokens will be distributed among users;
- 70% of the tokens will be provided to them within 4 years;
- 50 million tokens will be allocated to the Sponsify team;
- 140 million tokens will be retained by the company for further sale.

The percentage of distribution of KCY tokens may change after adding to the Wings platform

## **After predicting on the Wings platform:**

- The price of the Sponsify token and the size of the bonus will remain unchanged;
- The location and distribution of the token will probably be changed;
- The number of generated tokens will remain unchanged;
- The number of tokens sold during kraydseila will remain unchanged;
- Hard Cap may be changed.

# Conclusion

We offer a social viral system that could potentially lead to the fact that millions of people will start using cryptocurrency. Protocols Sponsify can be suitable for marketing in other industries, but in the first place it is suitable for the event industry, because:

- Obviously, activities are related to people, community and communication;
- Event Sponsify platform is already running;
- If you engage users, the network effect of the law is Reed lead to a rapid increase in the use of cryptocurrency.



