



socialmedia.market

# WHITE PAPER

JANUARY 2018

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# 1. INTRODUCTION

In a world of rising digital content consumption where traditional media resources are losing their audience daily, brands and companies are increasing their digital marketing budgets. Nonetheless, reaching their target audience is tricky, nowadays. Recent research shows that 47% of overall mobile and desktop internet users are now using ad-blocking software.<sup>1</sup> This number has almost doubled in comparison to the previous year. Furthermore, 36% of traffic<sup>2</sup> generated by Pay-per-click (PPC) campaigns are suspected to be fraudulent or non-human. Hence, brands are seeking new ways of advertising their products and services, discovering the power and realizing the importance of Influencer Marketing.

Recently, social media platforms like YouTube, Facebook, Instagram and Twitter have seen explosive growth, connecting over 3.03 billion people every day<sup>3</sup>. As the amount of time spent online rises globally, consumer behavior changes. Advertising campaigns continue to shift from traditional to digital marketing, and consequently, offline marketing isn't as effective as it used to be. However, not all digital marketing strategies are effective in reaching consumers. In the past few years companies and agencies have discovered Influencer Marketing as the strategy with the most potential and return, with over 80% of them finding this strategy effective<sup>4</sup>.



**UNLIKE TRADITIONAL ADVERTISING, INFLUENCER MARKETING PROVIDES BRANDS THE OPPORTUNITY TO GARNER CREDIBILITY AND GAIN ATTENTION**

Influencer Marketing has been a part of the promotional campaigns of the gaming and entertainment industries for years. Ultimately, digital agencies demonstrated the value of this advertising channel to corporations and large companies. And now, even small businesses are interested in allocating marketing budgets on popular bloggers or celebrities, who have influence over potential consumer audiences. Because, unlike traditional advertising, Influencer Marketing provides

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1 Source: Ad-Blocking GlobalWebIndex GWI INSIGHT REPORT /// Q3 2016  
2 Source: Millennials GlobalWebIndex. GlobalWebIndex Q3-Q4 2015  
3 Source: Social Media Engagement GlobalWebIndex GWI INSIGHT REPORT /// Q2 2017  
4 Source: The State-of-Influencer Marketing 2017 Final-Report © 2016 LINQIA

brands the opportunity to garner credibility and gain attention.

Still, Influencer Marketing remains a complicated process for both advertisers building their campaigns and influencers seeking a way to monetize their content. Obscure and uncertain price determination, insecure transactions, non-compliance with executed agreements, fraud, lack of control and unreliable analytic instruments create challenging ROI determination. This imbalance gives the major advertising assets to digital marketing agencies and top social media celebrities.

With our core team know-how and expertise in entertainment, marketing, analysis and product development, we have a clear vision of how to implement Blockchain and Smart Contract technology in a day-to-day solution that will resolve market needs and help develop them, exponentially.

We are building SocialMedia.Market – the first decentralized ecosystem to discover, create, perform and analyze advertising campaigns with social media influencers across any social network. Blockchain technology will simplify the integration between advertisers and publishers and decrease costs for all engaged parties. SocialMedia.Market creates a completely safe and transparent ecosystem for everyone involved in influencer marketing, opening up the opportunities for brands and influencers across the globe to reach their targeted audience of get rewarded for engaging their consumers with the content they enjoy. We will help elevate advertising markets to the next level and take considerable market share very quickly as cryptocurrency and Blockchain technology become mainstream in the next few years.

## **SOCIALMEDIA.MARKET – THE DECENTRALIZED ECOSYSTEM TO DISCOVER, CREATE, PERFORM AND ANALYZE ADVERTISING CAMPAIGNS WITH SOCIAL MEDIA INFLUENCERS ACROSS ANY SOCIAL NETWORK**

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Our team is inspired to popularize Blockchain and Smart Contract technologies, making them more common in our daily life. We apply extra effort to introduce SocialMedia.Market's platform, globally, to millions of influencers from small and medium-sized businesses to larger corporations.



## 1.1. ADVANTAGES OF SOCIALMEDIA.MARKET PLATFORM

A short list of advantages SocialMedia.Market will provide to all parties as a service:

- ◆ **TRANSPARENT** and competitive marketplace
- ◆ **WIDE** range of social media platforms, such as: YouTube, Instagram, Facebook, Twitter, etc.
- ◆ **REDUCED** operational costs and fees when working with Influencer campaigns
- ◆ **ACCESSIBLE** and easy-to-use, even for small businesses and influencers in the early stage of social presence
- ◆ **REDUCING TIME** and resources being spent on influencer marketing campaigns;
- ◆ **SMART** partnership for a wide range of users with the ability to create smart contracts tailored to specific needs using templates and smart tips
- ◆ **FAIR** dispute solution based on decentralized Blockchain technology
- ◆ **ULTIMATE** results, smart planning with Real-Time Analytics and Data Science
- ◆ **GLOBAL** outreach allows project to aim for larger market share, higher diversity and less dependency on local regulations

## 1.2. ADVANTAGES OF SOCIAL MEDIA TOKENS (SMT)

A short list of advantages SMT will provide to all parties as a single currency:

- ◆ **SAFE** escrow transactions based on Blockchain technology
- ◆ **LOW-COST** transactions with less operation fees
- ◆ **SIMPLIFIED** and **FAST** global payments
- ◆ Earn **REWARDS** by participating in the decentralized dispute solution system
- ◆ Get agent commission within the platform
- ◆ **DONATIONS METHOD** for bloggers and streamers
- ◆ **UTILITY TOOL** for acquiring outstanding marketing services, premium analytics and development instruments



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# 2

## THE INFLUENCER MARKET OPPORTUNITY

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## 2.1. WHAT IS INFLUENCER MARKETING?

With digital and social media gaining popularity, new engagement strategies have also been developed to help increase brand advocacy such as Influencer Marketing. Influencer Marketing, defined, is “a form of marketing in which focus is placed on influential people rather than the target market as a whole”. An influential person/influencer (or blogger, celebrity, opinion leader) can be described as someone that has the power to motivate followers in the industry where their buying decisions are concerned.

The use of social media marketing has exploded over the last few years. Well-known brands and smaller businesses truly realized the potential reach and engagement opportunity provided by social media channels. Analysing the following statistics: consumer purchase decision, rise of digital advertising and social media, increase in the use of ad-blockers, etc., it becomes obvious that today's influencers are some of the most valuable and viable media channels available. Business can drive a more optimized, omni-channel marketing plan by utilising Influencer Marketing, and will be more likely to reach their target audience and deliver a larger ROI.



There are many different types of influencers: from an industry blogger with great content and good site traffic to an ordinary Twitter member with a large following. Celebrities, journalists, analysts, thought leaders, brand journalists, platform-specific “sensations” etc., can become influencers, too.

## **INFLUENCER MARKETING, IS A FORM OF MARKETING IN WHICH FOCUS IS PLACED ON INFLUENTIAL PEOPLE RATHER THAN THE TARGET MARKET AS A WHOLE CELEBRITIES & THOUGHT LEADERS**

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One of the main benefits of Influencer Marketing is that such promotions look like native recommendations from the influencers, not as paid aggressive advertising. In the recent researches almost 92%<sup>1</sup> of respondents admitted that they rely heavily on the opinion of an influencer or opinion leader while deciding to buy a product. So, an influencer can deliver the message of a brand in a natural way, improving trust.

## **2.2. MARKET OVERVIEW**

**1. One of the fastest growing marketing trends, expected to reach \$10B by 2020.**

**2. The average time the user spends in social networks has grown by almost 24% in the past 5 years<sup>2</sup>, leading to the expansion of social networks and the growth of the ad blockers usage.**

**3. Influencer Marketing becomes one of the most efficient ways to attract attention to a brand. According to the recent researches the influencer marketing ROI reaches \$11.69 per \$1 spent.**

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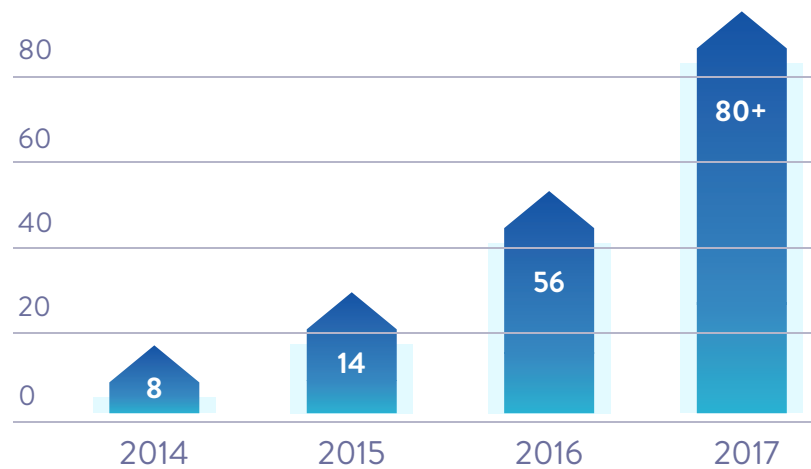
1 Source: Social Media Engagement GlobalWebIndex Q2 2017

2 Source: Social Media Engagement GlobalWebIndex Q2 2017

SocialMedia.Market targets Influencer Marketing, one of the fastest-growing markets. Analytical reports show an increase in almost all metrics related to Influencer Marketing. Growing exponentially, by recent estimates this market will turn into a \$5–10 billion industry within the next 5 years<sup>1</sup>.

SocialMedia.Market targets Influencer Marketing, one of the fastest-growing markets. Analytical reports show an increase in almost all metrics related to Influencer Marketing. Growing exponentially, by recent estimates this market will turn into a \$5–10 billion industry within the next 5 years<sup>2</sup>.

*Growth of Google trend index for Influencer Marketing*



Though, traditional media has only slightly declined, with TV still holding a strong position as a medium of content consumption and brand discovery, the overall time spent by internet users online exceeded the time spent on all traditional media combined, over the past 5 years.

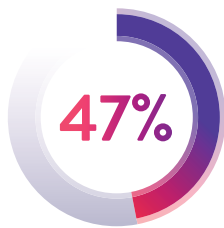
The longer online presence due to the expansion of mobile internet has not had a significant impact on traditional media as some of this additional online time happens simultaneously. Internet users tend to second-screen, or consume multimedia on any chosen device and mobile at the same time. Altogether, these factors increased the average time spent on social media by 34 minutes and posting frequency by 50%<sup>3</sup>.

1 Source: trends.google.com - <https://goo.gl/qzvqG4>  
2 Source: trends.google.com - <https://goo.gl/qzvqG4>  
3 Source: Generation\_Z GlobalWeb GlobalWebIndex Q4 2016

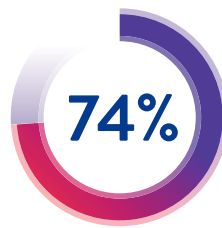
Number of hours and minutes per day typically devoted to the following



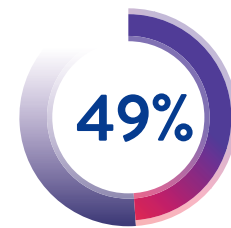
As previously mentioned, this shift has two important effects - higher social media consumption and an increase in the utilization of ad-blocking. As internet users' behaviors shift, consumer awareness of ad-blocking increases. Alternative forms of brand promotion are set to gain traction, as desktop and mobile ad-blocking tactics advance. Particularly, those forms of brand advertising that revolve around social and mobile channels are currently immune to ad-blockers; including Influencer Marketing, sponsored editorials and in-app advertising.



of overall desktop and mobile device owners use ad-blocking software



of internet users discover products and services on social networks

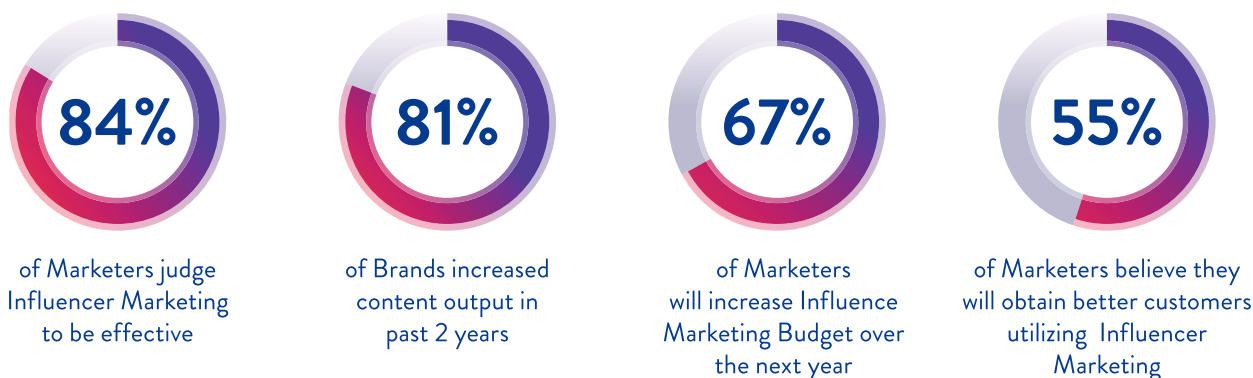


of people rely on the influencers' opinion when making a buying decision

The brand discovery market still relies heavily on search engines and TV ads, although in the last couple of years a clear trend of using social networks for marketing purposes has developed among Millennials and Generation Z, the most active internet buyers currently. Furthermore, this trend is predicted to continue over the next 5 years. Tending to rely on word-of-mouth and reviews or opinions of trusted leaders or celebrities, this channel is smartly being utilized by most marketers. And despite its complexities, more than half of companies plan to increase budgets on Influencer Marketing in the next year.

Based on this report, with 86% of marketers applying this type of marketing and 94% of those marketers finding it to be a very effective tactic for advertising, we can emphatically conclude that

marketers are predicted to increase their budgets regarding Influencer Marketing, with only 4% planning to decrease it . Some of the most preferred social channels are Instagram, Facebook and YouTube. Influencer blogs have also proven to be an important channel, with nearly 87% of respondents leveraging them as tool for improving brand discovery<sup>1</sup>. The average budget per program for most marketers is around \$50,000 - \$100,000, while 18% plan to increase to over \$100,000 and up to \$500,000<sup>2</sup>. The top challenge for 2018 will be measuring the ROI of Influencer Marketing campaigns.



When handled in-house, most marketers only work with a small number of influencers per program, dedicating a good deal of time per week to each influencer as the process of managing Influencer Marketing programs can be very time-consuming. Subsequently, as Influencer Marketing has evolved, a variety of services aiding brands in the navigation of this emerging sector have developed. The bulk of marketers use managed or “turn-key” services when executing their Influencer Marketing programs, while others use self-service, SaaS platforms to automate influencer outreach, management, and reporting. Accordingly, identifying which Influencer Marketing partner to work with, will be the second biggest challenge of 2018.

According to an eMarketer study<sup>3</sup>, the consumer-packaged goods food industry generates the highest return, followed by travel, beauty, alcohol and beverages, and grocery. Overall, brands that used influencer strategies reported an average return of \$11.69 for every dollar spent. Further, 92% of consumers are more likely to trust a brand advertising using Influencer Marketing. Additionally, it is more cost-effective than paid advertising and leads to more credible brand recommendations<sup>4</sup>. For these reasons, Influencer Marketing has arguably become the most effective, long term marketing strategy.

1 Source: The-State-of-Influencer-Marketing-2017 Final-Report © 2016 Linqia, Inc.  
 2 Source: The-State-of-Influencer-Marketing-2017 Final-Report © 2016 Linqia, Inc.  
 3 Source: <https://www.emarketer.com/Article/How-Big-Influencers-Influence/1012904>  
 4 Source: The-State-of-Influencer-Marketing-2017 Final-Report © 2016 Linqia, Inc.

## **OVERALL, BRANDS THAT USED INFLUENCER STRATEGIES REPORTED AN AVERAGE RETURN OF \$11.69 FOR EVERY DOLLAR SPENT**

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The recent trends of digital marketing can help provide insight into the future of this field. Influence Marketing, which merges relationships between influencers and content, must be a priority for companies regarding digital marketing strategies. To easily manage and develop this relationship, brands must utilize automated management solutions to track the potential consumers' entire path to customer. By taking advantage of live video (Facebook, Twitter) features, podcasts and the omnipresence of mobile technologies, a rebirth of journalism will occur. Accordingly, the role of influencers will be redefined and integrated into a multi-functional relationship approach with brands.



**FOR MORE DETAILS ON MARKET STATE,  
PLEASE, READ OUR TEAM RESEARCH  
[“DIGITAL MARKETING STATE 2017”](#)**



## 2.3 INFLUENCER MARKETING CHALLENGES (PROBLEM DEFINITION)

Our team successfully launched more than 300 digital ad campaigns with different channels for more than 25 brands, during the last year. Of these ad campaigns, the best results were achieved by those supported by Influencer Marketing. However, this could be a misleading statistic as management of sponsored content created by bloggers consumed most of our time and resulted in unforeseen additional costs.

In the current state, the influence advertising market is highly opaque and chaotic with no regulations and an army of agents and scammers. This causes inefficiency in pricing, while agent fees and fraud consume a large portion of the influencer's revenue and the brands' marketing budgets.

Having over a thousand closed deals with influencers we suggest that over 30% of budget is lost to careless contractors, dishonest or fraudulent agents and staff maintenance. Influencer management is time-consuming, as specified above. For instance, 52% of marketers who provide in-house management, only work with an average of 10-25 influencers per program. 50% of in-house program managers estimate spending more than 25 hours managing each program. Additionally, 25% spend more than 50 hours managing each program. Working with agencies can take up to 30% of cost, and that's only a disclosed part. Moreover, agencies limit the pool of Influencers they have contact with, because keeping direct contact with multiple influencers is a resource-intensive task.

In communicating with new and experienced bloggers, those with over 100K subscribers, we discovered that they encounter similar problems. Most bloggers, instead of creating new interesting content which demands investment of time and money, concentrate on the monetization of their channel. If a blogger has an active contract with an agency or manager, 10% to 50% of payment is taken as their fee, leaving the blogger with only a small portion of what's left after spending on content creation and channel promotion. Additionally, influencers run into the same scam schemes (fraudulent agents, agency managers and even advertisers) as advertisers do.

Lack of standards and guidelines for Influencer campaigns introduces more difficulties in creation of advertising activities and makes the market chaotic. In over 80% of cases, the content created by bloggers doesn't meet the demands of the agreements made, and greatly affects the campaign's performance.

Despite the quick growth and development of this market, several unresolved problems persist:

1

### **FRAUD**

Lack of ownership validation, non-compliance with agreements, fake audience engagement and followers amount.

2

### **UNCERTAIN PRICING**

Many intermediaries and risks make pricing in the market chaotic and often inadequate, while not providing any guarantees of efficiency.

3

### **PAYMENT COMPLEXITY**

To maintain campaigns both advertisers and influencers need to operate multiple payment methods to simplify transactions and optimize costs.

4

### **LOW ACCESSIBILITY**

A high threshold for small and medium-sized business entry, associated with risks (high unpredictable costs)

5

### **DIFFICULT TO MAINTAIN RELATIONSHIPS**

Lack of standards, average age of influencers and only direct online communication makes communications difficult to maintain for all parties.

6

### **TIME CONSUMING AND LIMITED CAMPAIGN DIVERSITY**

As demonstrated, the process of managing Influencer Marketing programs is time consuming when handled in-house, making it a complex task to work with a large network of Influencers. Yet, Influencers with a smaller quantity of subscribers show higher engagement rates than top influencers.

7

### **COMPLEXITY IN SELECTION OF INFLUENCERS AND ROI ANALYSIS**

In a survey conducted by Tomoson<sup>1</sup>, more than half of the participants reported better quality leads as a result of Influencer Marketing. Therefore, the selection of relevant bloggers is one of the most difficult tasks for marketing managers.

1 Source: <https://blog.tomoson.com/influencer-marketing-study/>

The extensive use of mobile devices has caused digital media consumption to grow annually. This has triggered changes in internet users' behavior like second-screening, ad-blocking, increased social media consumption, preferable content types etc. Consequently, marketers must adopt and search for alternative channels to reach the consumer effectively. Despite Influencer Marketing channel's complexity, it is being used by most marketers, with more than half of them planning to increase their budgets in the next year.

SocialMedia.Market is designed to solve these problems and make Influencer Marketing accessible and transparent, creating a new generation of advertising that will be more profitable for all market participants.



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3

# THE SOLUTION

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### 3.1 OVERVIEW

Our experience in solving difficulties and issues in creating advertising campaigns and developing interactions with Influencers, inspired us to create SocialMedia.Market – the first decentralized ecosystem designed to discover, create, perform and analyze advertising campaigns with social media influencers.

Blockchain technology will simplify integration, reduce fraud and costs for all market participants. It will create a safe and transparent, competitive marketplace that will open opportunities for thousands of influencers and brands all over the globe, increase target audience outreach and engage consumers in the most relevant and efficient ways. An open, agile platform will create a new generation of advertising, accessible to millions of new, up-and-coming influencers, startups and small businesses.

SocialMedia.Market's objective is to establish a healthy ecosystem, where:

- ◆ influencers can easily access sponsorship for creating high-quality content,
- ◆ agencies get access to a constant stream of influencers and can concentrate their effort on testing new strategies and strengthening their expertise,
- ◆ advertisers get access to more relevant and efficient ways to engage consumers,
- ◆ consumers, ultimately, gain access to the high-quality content they desire,
- ◆ all token holders, participate in platform development and gaining access to exclusive features and services for using and owning Social Media Token

### 3.2 ECOSYSTEM PARTICIPANTS

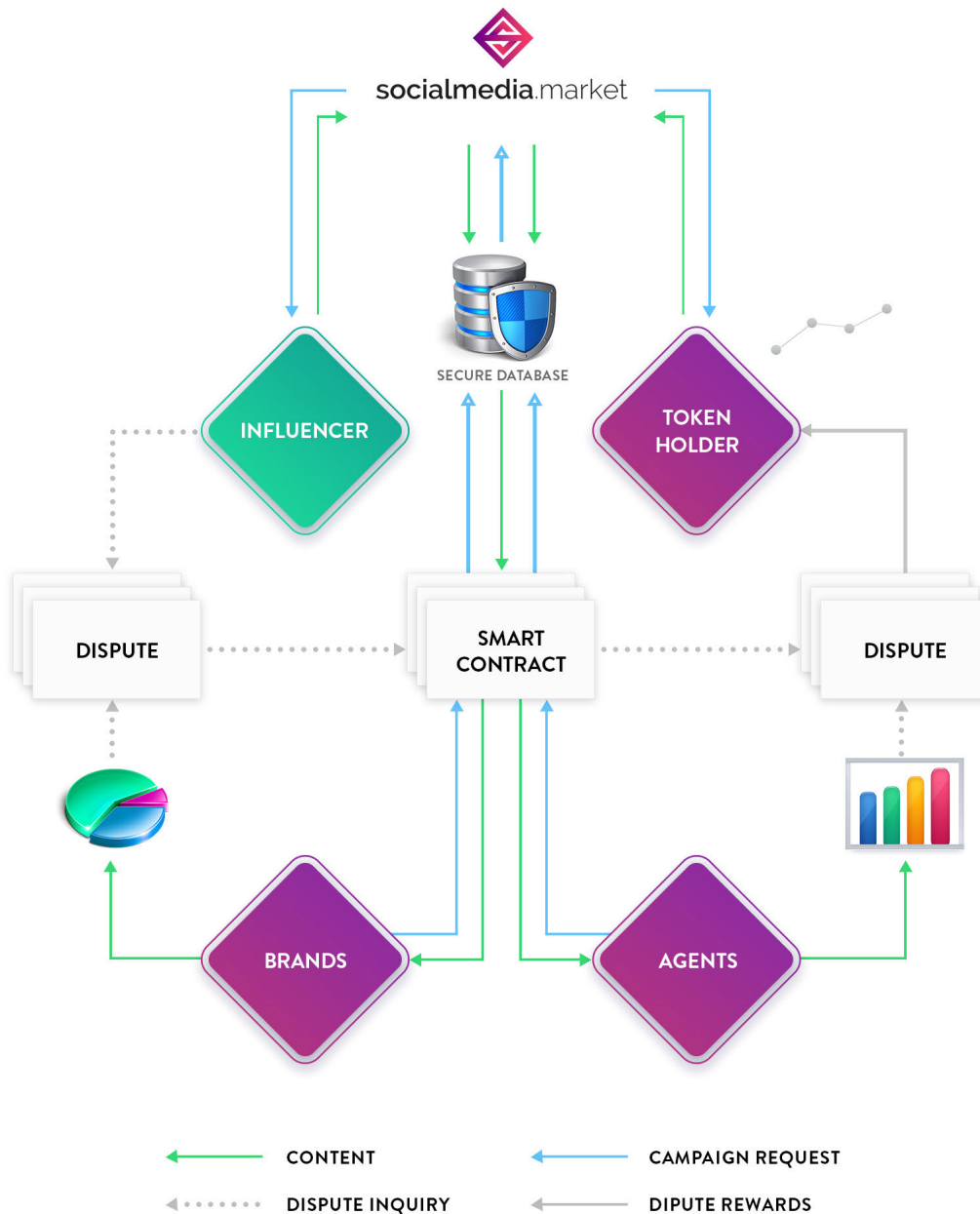
SocialMedia.Market ecosystem will involve the following participants:

- ◆ SocialMedia.Market Platform including services and products related to it
- ◆ Advertisers (brands, businesses, agencies)
- ◆ Influencers (or bloggers, opinion leaders)
- ◆ Agents
- ◆ Token Holders (can be either of participants or community members)

SocialMedia.Market participants interaction:

## SOCIALMEDIA.MARKET PLATFORM

SocialMedia.Market platform is a decentralized ecosystem that allows advertisers to discover, create, perform and analyze advertising campaigns with social media influencers. Likewise it allows influencers to join advertisers campaigns to monetize their channels and create more engaging content.



## INFLUENCER

Influencers are individuals or sometimes small groups that carry out the influence over a certain group of people through their online presence. Influencers possess one or more social media channels with a certain number of followers (their circle of influence).



## ADVERTISERS

Advertisers – a person, a brand, a company or an agency that places advertisement in the platform in order to target customers with native advertising.

## COMMUNITY MEMBERS, TOKEN HOLDERS AND AGENTS

Any member of the community SocialMedia.Market, as well as the participant of the platform may be the token holder and the agent of platform with the possibility of retaining of the certain number of tokens on his or her account (more in the chapter “Token economics”).

## 3.3 SOCIALMEDIA.MARKET’S MAIN FEATURES AND BENEFITS

SocialMedia.Market will provide the following features to all platform users:

### 1. SECURE TRANSACTIONS

Delays or non-payments are problems typically associated with an Influencer’s platform. The advertisers and influencers have very little control over payments. In many cases, after project submission, the advertiser doesn’t receive the high-quali-



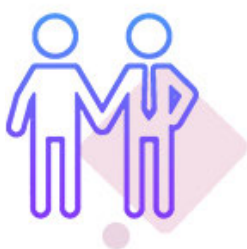
ty content agreed upon from an influencer or the influencer does not get paid. Our Ethereum based platform uses an escrow payment system which holds the contract fees until the set obligations are met. On project completion, the funds are released, securing the interests of both parties involved.

## **2. FAIR DECENTRALISED DISPUTE SOLUTION SYSTEM**

Content created by Influencers is mostly perceived subjectively. This may cause disputes and dissatisfaction of parties with achieved results. For the most part, modern platforms do not solve such disputes between parties. Moreover, platforms with such mechanics typically charge an additional fee for arbitration and often favor the paying side. Our service has several preventive measures that will allow parties to resolve disputes on their own in most cases, as well as an arbitration system that will resolve disputes between participants with the help of independent platform experts.

## **3. OWNERSHIP VALIDATION**

One of the major problems contributing to most of the unforeseen costs is fraud, when a fraudster impersonates an Influencer by hacking into his accounts. These situations harm both parties, Advertiser and Influencer. SocialMedia.Market applies special procedures providing a transparent and reliable marketplace. Influencers are verified and authorized to ensure they are really who they claim to be. Additionally, two factor authentication ensures protection and account ownership within the platform.



## **4. EASY COMMUNICATIONS AND INTERACTIONS**

Engagement and arrangement is one of the most time-consuming tasks for both the Brand and the Influencer. At SocialMedia.Market we pay great attention to making collaboration more simple and effective. With our powerful CRM-system, in-platform chat app, Smart Contract templates, chat tips, instant notifications and mobile app, organizing contacts, messages, communicating and staying up-to-date will be convenient.

## **5. SIMPLE MANAGEMENT**

A step-by-step procedure of setting up the ad campaign with a smart-contract will simplify all the stages of cooperation.



## 6. HIGH-QUALITY USER EXPERIENCE

With the trend of using mobile devices to solve everyday tasks, we understand that our platform should be convenient and compatible with all kinds of devices. Therefore, we use progressive technologies to make SocialMedia.Market cross platform. Brands and Influencers will be able to utilise IOS and Android applications conveniently, staying in touch anytime, anywhere.

## 7. ADDITIONAL WAYS TO BE REMUNERATED

Using our Dispute Solution system platform members will be rewarded with SMTs for their active personal engagement in dispute arbitrations. This will be available only for users who hold a certain number of tokens in their accounts.

## 3.4 FEATURES FOR ADVERTISERS

There are many features that will make the management of Influencer Campaigns more convenient for brands and digital media marketing experts:

### 1. UNLIMITED ACCESS TO INFLUENCERS ALL OVER THE WORLD

Influencers of lower rank, also known as Tier 2 Influencers or micro-Influencers, can provide an outstanding campaign results, and they are easier to engage with. These Influencers are especially fruitful when reaching a sub-community, and their campaigns can be scaled for larger reach while keeping a personal approach. Social Media Token will allow users to interact with Influencers globally with no limitations caused by complicated payments policies.

### 2. OPERATING COSTS OPTIMIZATION

Managing of Influencer Marketing programs is a very time-consuming process and Influencer Marketing platforms, or agencies require an advertiser to pay up to 50% commission for such services. With the help of our services, brands can expect to reduce the costs associated with launching Influence Marketing campaigns significantly.





### **3. LESS TRANSACTION FEES**

Traditional payment methods may require high processing fees and complicated banking and compliance procedures. Our platform is open for advertisers all over the world making all payments low-cost and easy to proceed.

### **4. SMART MATCHING**

One of the challenging tasks in creating a campaign is choosing the right Influencer to engage the right audience. Our service provides the most complete database, advanced search engine and Data Science Technologies for a quick search and selection of relevant channels for brand placement. Advanced filters provide a convenient means to sift through millions of profiles, focusing only on the appropriate ones. An advertiser can either filter the database by preferred influencers parameters or target audience characteristics.



### **OUR PLATFORM IS DESIGNED TO DELIVER INFLUENCERS TO BUSINESSES OF ANY SIZE AND ANY BUDGET**

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### **5. PRECISE TARGETING**

Influencers have a combination of popularity and expertise (perceived or real). They may have reach, credibility or both. SocialMedia.Market implements several rank systems that will help to determine an Influencer's efficiency and relevance for a brand, as well as their credibility as a partner.

### **6. AVAILABILITY FOR SMALL AND MEDIUM BUSINESSES**

Small businesses, which value every spent dollar, encounter even more challenges when working with Influencers. Our platform is designed to deliver Influencers to businesses of any size and any budget. For instance, our service provides the most convenient tools and tips for marketers; whether the brand can work with influencer for products samples only, or with a dedicated sponsorship budget.

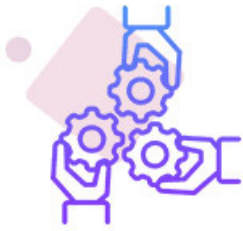
## 7. NO NEED TO BE A PRO

For newbies in Influencer Marketing, it is rather difficult to understand which formats of advertising are available with Influencers and how to use them correctly. With lots of tips and templates, we'll make the creation process, engagement strategy and Influencer campaigns simple and clear.



## 8. EVERYTHING IN ONE PLACE

Another problem that makes the creation of Influencer campaigns so time-consuming, is the need to switch the manager's attention between different social networks to manage campaigns and various means of maintaining communications with the Influencers. Our platform allows you to interact with different social networks, and communicate all in one place, whether you reach out through our platform, social profile or email.



## 9. POWERFUL MANAGEMENT

Using SocialMedia.Market, clients can always see the full history of campaigns they're interested in, including its source, updates, sales and specific details. This gives brands a better opportunity to make informed decisions about creating new campaigns and scaling influencer programs. The SocialMedia.Market CRM-system, designed specially to manage Influencer Marketing campaigns, provides user-friendly tools to: build campaigns, set guidelines, create reminders, track product shipment, review content, track posts etc.

## 10. GUIDED ANALYTICS

Every advertiser needs a "Guided Analytics" approach that goes beyond a simple review of trends in sales figures to identify techniques to increase revenue. A marketer or consultant needs to know the right sequence of questions to ask to improve sales, and where to find the answers. With our expertise we provide our clients a detailed report with top line metrics as well as the impact of each Influencer and the user-generated content that Influencer produced for the brand.

## **11. REAL-TIME DATA ANALYSIS AND ROI**

SocialMedia.Market provides real-time tracking for mentions, engagements, true reach and ROI. For the SocialMedia.Market platform, tracking updated data triggers provide an essential and fundamental part of the system's functionality and competitive edge. Our campaign analytics system provides views, reach and engagement analysis of the influencer's campaign and allows users to get real-time Cost Per Engagement (CPE) metrics to analyze and control real money return on Influencer investment.

## **12. EXCLUSIVE DATA FOR PRECISE TARGETING**

Thanks to extensive reach and data science, our system will provide advertisers with more detailed information about Influencers' channels and users' behaviours. Our Artificial Intelligence learns from the campaigns delivered results, constantly improving Influencer identification based on the best campaign results achieved.

## **13. SMO (SOCIAL MEDIA OPTIMIZATION) READY**

SMO is already recognized as a crucial part of marketing alongside with SEO and SMM. Multiple websites already utilize SMO campaigns, boosting their ranking authority from search engines. SocialMedia.Market's tools provided to brands are created with the latest SMO trends and allow members to create campaigns which comply with basic optimization requirements.

## **3.5 FEATURES FOR INFLUENCERS**

SocialMedia.Market is an outstanding tool with multiple features for all kinds of social media Influencers:

### **1. HIGH-QUALITY BUSINESS OPPORTUNITIES FOR CONTENT MONETISATION**

For beginners and minor opinion leaders, searching for ways of monetisation is a difficult and time-consuming task. Our service will give Influencers of any size an opportunity to choose brands, creating the most interesting and beneficial partnership.



## 2. NO ENTRY BARRIER

Most Influencer platforms require specific numbers of followers to be listed. Unlike others, SocialMedia.

Market is accessible even for new Influencers in the early stage of social presence.

## 3. EASY ENGAGEMENTS WITH BRANDS

Separate engagements with multiple brands adds complexity to Influencers. With the help of our platform, Influencers will be able to communicate with brands directly and approve content they create without a hassle, even for the different social media channels they run.

## 4. INSTANT WORLDWIDE PAYMENTS

Most Influencer Marketing platforms and agencies bind Influencers to wait for payouts up to 60 days. With Social Media Token (SMT), payouts will be passed in a split second after the Smart Contract executed (provided that an Influencer's account is verified and doesn't have a history of platform rules violation). Social Media Token will allow influencers to get paid anywhere in the world. SMT integration with blockchain technology assets payment platforms like TenX will supply our token with the ability for day-to-day real-world payments.

## 5. INSIGHTS AND TIPS FOR CHANNELS DEVELOPMENT

There is a lack of data driven tools giving Influencers insights into the audience's interactions with their content. Most opinion leaders don't have a lot of experience and/or don't understand what kind of analytics they need to pay attention to for channel growth which, in turn, will increase the level of monetisation. SocialMedia.Market will give bloggers complete information about their channel and tips on how to increase the level of engagement received based on insights provided by the platform.

## 6. CLEAR TASK ASSIGNMENT

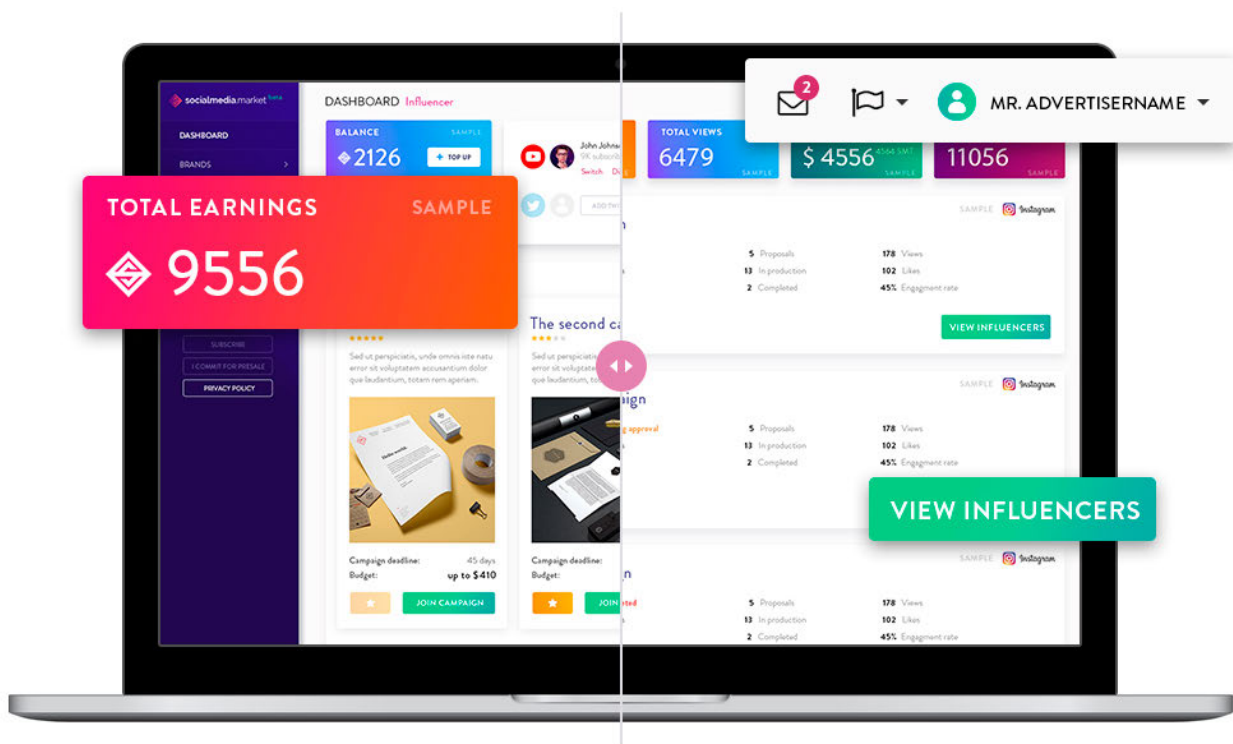
Small and novice bloggers are often faced with displeasure from advertisers about marketing content they are producing or changes in content requirements. For example, in cases where the advertiser didn't issue a clear task - the result may become irrelevant. SocialMedia.Market will significantly reduce the number of cases like the one described above with the help of Smart Contracts and fair dispute solution.

### 3.6 FEATURES OF SOCIALMEDIA.MARKET FOR AGENTS

In addition to the above listed benefits, SocialMedia.Market will provide opportunities in extra earnings for marketing agencies. Any agent will be able to become a partner of the platform and receive commission in Social Media Tokens for the provision of additional services for advertisers' marketing campaigns or become a personal manager to Influencers.

SocialMedia.Market will be a convenient tool for searching and managing business opportunities. With the help of service agents, one can easily manage the schedule of advertising content or check the effectiveness of advertising campaigns using the extended set of tools, anytime and anywhere.

### 3.7 HOW IT WORKS?



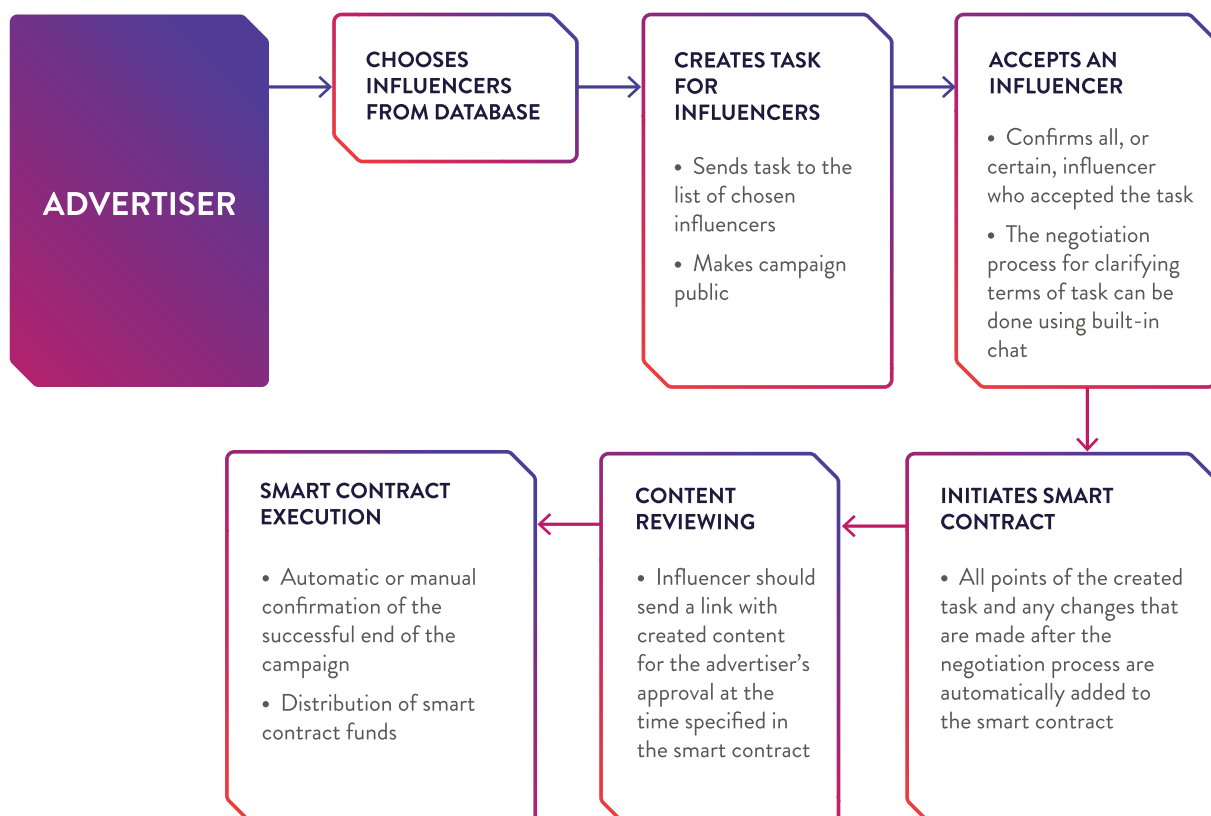
The SocialMedia.Market platform automates all business processes related to selection, creation and management of the Influencer's marketing activities, including the distribution of financial means among the participants.

The platform has a friendly and easy-to-use interface for Brands and Influencers to help post and accept tasks easily. To ensure the authenticity of users, the platform will perform identity verifications whenever necessary. The unique identities of Advertisers and Influencers will be based on their addresses in the blockchain, making them difficult to forge. To protect personal data on the account of the Advertiser and Influencer, two-factor authentication can be applied.

In the following sections, we give a summary of several types of engagement scenarios with the platform. The described features are preliminary and can be modified during platform development.

### 3.7.1 CAMPAIGN AND SMART CONTRACT CREATION FOR ADVERTISERS

The basic tools of SocialMedia.Market, like working with a social media database, will be accessible for Advertisers without verification. For creating tasks and campaigns, as well as communicating with Influencers, an Advertiser must pass the verification process, requiring them to provide details on the company profile.



SocialMedia.Market's interface<sup>1</sup> for brands enables creation and planning of campaigns from concept to completion. The first step in the creation of an Influencer Marketing campaign is to prepare a task for Influencers. Some of the factors the Advertiser must consider when creating a task:

- ◆ social media channel;
- ◆ start and end dates or period of campaign;
- ◆ region, country or city;
- ◆ campaign budget;
- ◆ the necessary files and the content they want to see;
- ◆ any additional information required for chosen channel and content type (for example, YouTube video tags for better SMO)
- ◆ target audience preferences for automatic Influencer selection, etc.

All this information will be easily set up with the help of templates and smart tips provided by SocialMedia.Market.

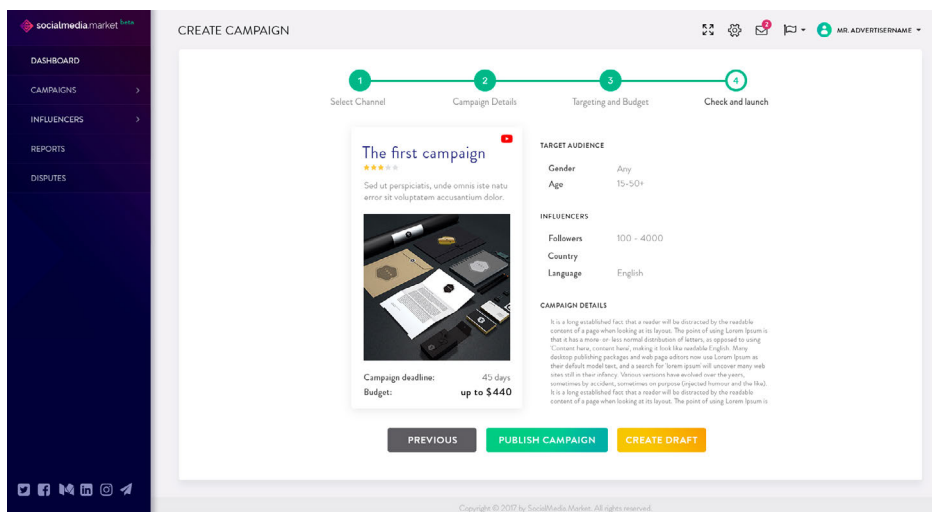
The screenshot displays the 'Choose influencers' interface. At the top, there are tabs for 'Choose influencers', 'My Lists', and 'Hired'. Below this is a search bar labeled 'SEARCH YOUTUBE'. The main area is a table of influencers with the following columns: CHANNEL NAME, FOLLOWERS, TOTAL MEDIA, TOTAL COMMENTS, TOTAL LIKES, CHANNEL GROWTH, ENGAGEMENT RATE, and STATUS. The table lists 15 influencers, including Instagram, selenagomez, cristiano, arianagrande, beyonce, kimkardashian, taylorswift, kyliejenner, therock, justinbieber, neymarjr, kendalljenner, leomessi, nickiminaj, and nike. To the right of the table is a sidebar with various filters: Subscribers (with a range from 200 to 7500), Audience gender (ANY GENDER, FEMALE, MALE), Audience age, Influencer language (ENG), Influencer country (ARGENTINA), and Category (AUTO & VEHICLES, COMEDY, EDUCATION, GAMING, ENTERTAINMENT, FILM, HOW TO & STYLE, TRAVEL, SCIENCE & TECHNOLOGY, SHOWS, PETS & ANIMALS, NONPROFIT & ACTIVISM, MUSIC, PEOPLE, NEWS). At the bottom of the table, there is a pagination control showing page 4 of 7.

<sup>1</sup> Interfaces presented in Beta are not final and will change with the platform growth to answer users' needs.



In the next step, the advertiser must select an Influencer for the campaign. This step can be completed in a couple of different ways. Making the campaign visible for all Influencers who match the target audience and task details is the easiest way to accomplish this step. In that case, campaigns will only be available for Influencers who have already verified their accounts on the platform. And, if an Influencer is interested, they would send a request to join the campaign. The second way to choose an Influencer would be to create a personal list containing preferred Influencers using the platform's database, advanced search engine and filters. After creating this list, the Advertiser will be able to send the task to all Influencers on the list, even if they don't have an account on SocialMedia.Market.

The SocialMedia.Market goal is to provide brands, advertisers, and agencies with all the required details on the influencers, whether they have or don't have an account on the platform. As the SocialMedia.Market platform gathers data on the influencers from every open source, the advertisers don't have any limitations while choosing an influencer. If the advertiser chooses an influencer, who is not registered on the platform, the system sends the influencer a notification to every open channel available with an invitation to sign up in the system to be able to complete the task.



After the influencer is chosen, the advertiser has to set up the maximum budget, they are going to spend for the blogger-generated content. There will be notifications during the budget set up to help the advertiser adjust the budget to match with average counter bids and selected parameters.

After receiving a notification about the new campaign, a blogger can accept, decline, or discuss the terms with the advertiser. When the campaign terms are agreed upon by both parties, the smart-contract is automatically created. The platform will utilize the smart contracts and the escrow transactions.

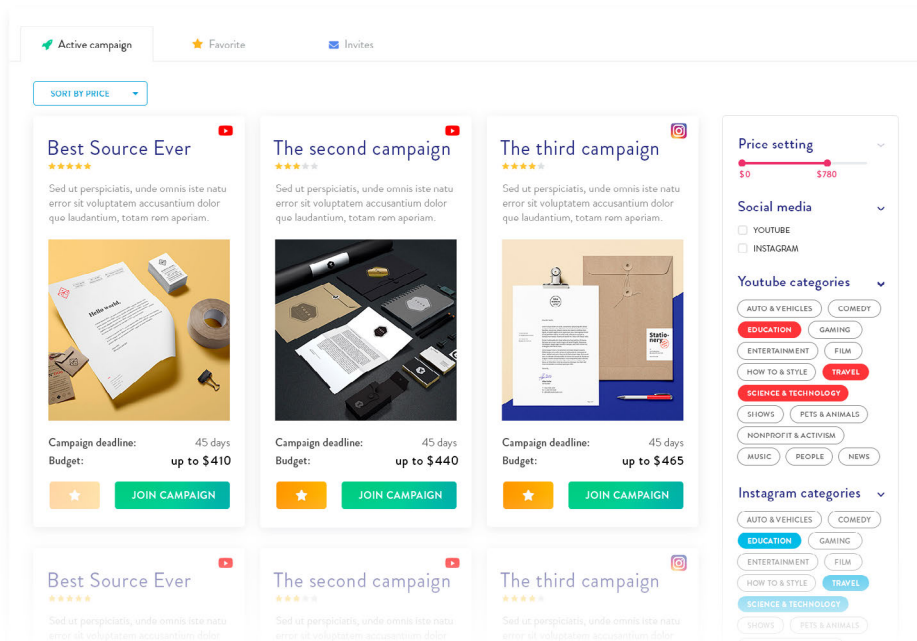
After the content is created, the influencer shares a link or uploads the file with the advertising content for the preview. After all is set and the advertiser confirms the preview, the blogger publishes the content in their social media channels. In the most cases the platform will automatically check the publication of content with AI systems (you can learn all the details in the AI and Data Science chapter). After the publication is checked, the platform automatically changes the campaign status. If the content was approved by the advertiser and suites to the selected social activity, the publication is automatically verified by the system. The published content should be accessed freely on the blogger's channel during the time, described in the contract. This time should be no less than 30 days. If this rule is violated and content was deleted, influencer account will be downrated (check the details in Ratings) or suspended, pending or accessible balance on account might be locked or refunded.

### **3.7.2 INFLUENCER PROFILE VERIFICATION AND INTERACTION WITH BRANDS**

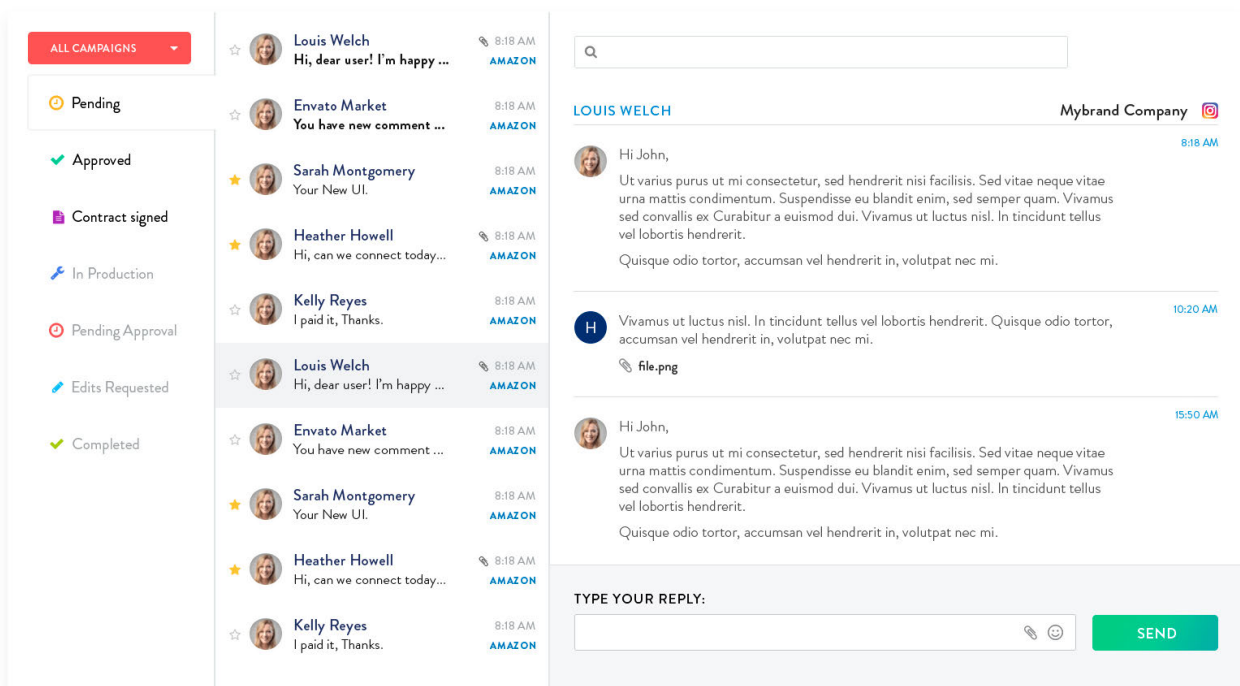
In order to sign up to SocialMedia.Market, the opinion leader may log in via email or profile in G+. After the sign-up procedure it is necessary to verify and activate the channels of influence. Also, the opinion leader may set up 2-factor authentication. Each channel of influence is being verified separately, upon that the opinion leader receives the access to the advertising campaigns. The verification status of each channel specified in the personal account of the influencer.

Basically, the Influencer can receive a task in two ways:

1. Receive a "personal" task in the SocialMedia.Market CRM system or through another communication channel available in his public contacts, even if they weren't previously registered on a platform.
2. Choose a task from the list of published "open" jobs by Advertisers. Moreover, the influencer can only see the tasks that comply with characteristics of their channel.



After receiving notification, the influencer should agree with the terms and conditions of a task by applying for it. If the job requires clarification or modification, parties should use the built-in messenger app. Once the advertiser confirms a job, a Smart Contract is automatically created. Within the period that is specified in the Smart Contract, the Influencer must complete the required task.



If the task isn't complete within the arranged time, or prolonged at the Advertiser's discretion, the Smart Contract is automatically cancelled. When the Smart Contract is executed, funds are automatically credited to the Influencer's account. For new and low-ranked influencers payment holds are applied.

The post with content should remain public on the Influencer's social media account for at least 30 days since the Smart Contract's execution, unless otherwise stated in the Smart Contract. If this rule is violated and content was deleted, influencer account will be downrated (check the details in Ratings) or suspended, pending or accessible balance on account might be locked or refunded.

### **3.7.3 DECENTRALIZED DISPUTE SOLUTION**

The evaluation of the created content is largely subjective. Consequently, this subjectivity can cause disputes and dissatisfaction concerning the result. On SocialMedia.Market there are several preventive measures that allow parties to resolve disputes on their own, in most cases. In all other cases, parties can access a decentralized Dispute Solution system to resolve issues in cooperation between participants. Depending on the reasons of dispute, the process may be initiated by either Advertiser or Influencer. A list of contracts under dispute is available for platform experts to review, with controversial details being disclosed during the settlement process.

Every user within the SocialMedia.Market platform, or any other person willing to become a resolution expert, has the opportunity to participate in decentralized Dispute Solution system and earn Social Media Tokens by voting in particular cases. To become an expert and to have the ability to vote for resolutions, a user should be holding no less than 10000 SMTs on their account balance. Experts will be rewarded with SMTs for their engagement in the dispute solving procedure. Dispute rewards will be deducted from the platform service fee reserved in every dedicated Smart Contract.

In order to be rewarded for voting in Decentralized Dispute Solution system, user should meet next conditions:

- 1) Hold certain amount of tokens on their SocialMedia.Market account
- 2) Complete a short education course to confirm the status of resolution expert
- 3) Choose controversy cases awaiting resolution
- 4) Check contract agreements and marketing campaign conditions
- 5) Review influencers' content for compliance
- 6) Vote for resolution on the basis of fair assessment of a dispute

After case closure, every expert voted for resolution will be rewarded by Social Media Tokens proportionally to the contract value, taken from reserved platform service fee (further details will be determined in Q3 2018 after Dispute Solution System testing).

#### **DISPUTE PREVENTION FEATURES:**

- ◆ Partial payment of contracts. While creating a Smart Contract, Advertisers can evaluate every part of the contract separately, based on total budget. Splitting the cost of the contract between contract items will enable reasonable adjustments of the contract amount in the case of partial fulfillment of terms by mutual agreement of the parties, without involvement of arbitration. This feature is especially important in cases when the advertising period or budget is limited, because it gives parties the opportunity to execute a contract with partial payment if conditions were only partially fulfilled.
- ◆ Rating system affects placement price index. SocialMedia.Market will implement public arbitration rules for parties involved in arbitration which may result in a rating adjustment. If a user's rating is downgraded (for example if a party often uses arbitration and loses), the platform will apply measures on the participant in the form of additional coefficients at the execution of Smart Contracts and restrictions in choice of participants (Advertisers and Influencers). This process will allow participants to evaluate the reliability of potential partners and will increase the benefits of dispute resolution without the help of arbitration.

#### **★★★★★ 3.7.4 RATING SYSTEM**

The reputation system is essential for establishing trust between all the parties. The SocialMedia.Market platform is creating several rating systems for every user on the platform.

Influencers are usually the popular experts in a particular field. They provide credibility, reach or both. SocialMedia.Market implements several ranking systems that will help to determine an influencer's efficiency and their relevance for a brand, as well as their credibility as a partner. To begin with, the platform is implementing Engagement Rate, as it is fundamental for choosing the blogger. With the platform growth we are planning to implement the following:

1) Engagement Rate, which is based on the cumulative rating of the blogger's content and the audience engagement

2) Influencer trust rating. The trust rating consists of the following: the quantity of successful campaigns completed by the user, whether the user complied to the conditions of the content publishing, the average rating from the advertiser, the quantity of disputes and the average dispute resolution. Rating affect on price index will be determined with the platform development.

### 3.7.5 DATA SCIENCE

Our platform will use the latest technology for data collection and analysis. This will be achieved with help of gathering data from Social Graph and Open Data as well as the data inside the platform. With the use of Artificial Intelligence and Machine Learning, SocialMedia.Market will provide an outstanding service to our users.

Through collecting and analysing data within the platform we can gain valuable insights on users behaviour, Influencers ROI etc. to provide this information to brands and Influencers to help them increase ROI and engagement.

BIG DATA ANALYTICS and predictive models for real-time reports. There are two types of data, required for the analytics on the platform:

1. Real-time content performance tracking and engagement metrics monitoring, including comments, likes, shares.
2. User analytics complete with the segmentation by gender, age, interests, location, and income.

As the APIs of social networks that provide user demographics and interests metrics are closed for the third parties, the only way to operate this data is based on predictions on social media usage patterns.

SocialMedia.Market creates a solution that aggregates all publicly available data from various

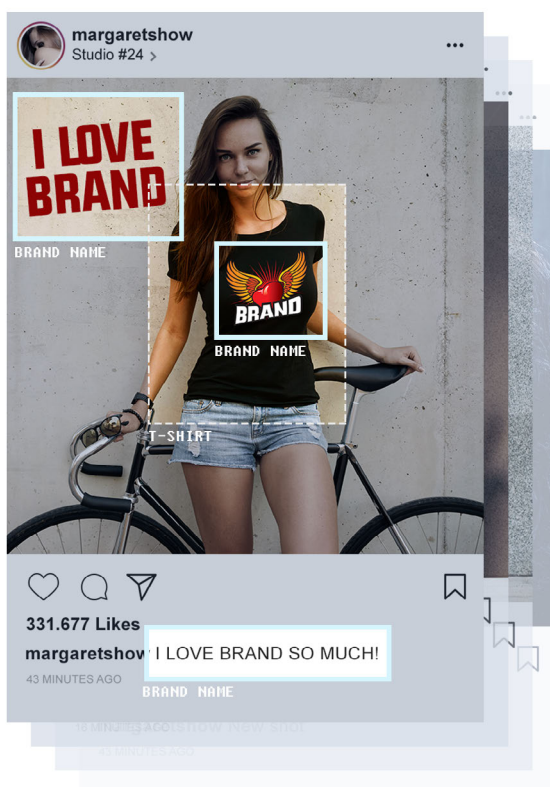
social networks and utilizes this data by creating business intelligence reports, as well as an input of predictive model that allows identifying age, gender, interests, and location on the users on the channel. closed for third parties. The only way to get the data is to make predictions based on social media usage patterns.

SocialMedia.Market is going to build a solution that downloads all publicly available data from social networks and use this data directly for building BI reports and as an input for predictive models that predict gender, age, location and interests of social media users.

Artificial intelligence and machine learning for smart decisions and processes automation.

Main purposes of AI system in the platform:

1. Help in finding the perfect match between Brands and Influencers for the maximum engagement rates
2. Automate the process of contract compliance confirmation without communication between parties
3. Helps to make the right decision about future campaigns and evolution of exposure pathway



### NATURAL LANGUAGE PROCESSING (NLP)

NLP refers to a field of AI focusing on understanding language, which includes reading comprehension, language translation, text summarization, question answering, sentiment analysis, and text generation. This enables an opportunity to learn about users behaviour and learn how the community reacts to each campaign.

### IMAGE RECOGNITION


Images are processed by a Deep Learning algorithm that can extract information, recognize the content of an image and identify Brands and products.



Amazon AWS services is our preliminary choice for Machine Learning and AI algorithms that will be implemented in SocialMedia.Market. As AWS offers a broad array of compute options for training and inference with powerful GPU-based instances.

### 3.8 COMPETITIVE ADVANTAGES

SocialMedia.Market has significant points and features in comparison with currently existing tools Brands and Influencers have to leverage in the engagement process. The following table provides SocialMedia.Market’s competitive advantage comparison. All data was gathered from public sources and during comparison average indicators were taken into consideration.

DIGITAL AND INFLUENCERS AGENCIES AND AGENTS	INFLUENCERS ONLINE MARKETPLACES AND TOOLS	 <b>socialmedia.market</b>
Up to 50% commissions for brands	Up to 30% commissions for brands	Up to 10% commissions for influencers
Transaction fees up to 5%	Transaction fees up to 5%	Blockchain low-cost transactions
May be unavailable for small and medium business due to high commissions and low budgets	Most platforms don't work with small budgets	Low commission and option to create campaigns on barter basis gives new opportunities for small companies
Do not engage novice and micro-influencers	Most platforms only work with bloggers that have more than 10K subscribers	Influencer’s channel size irrelevant
Long procedure of contract conclusion	Absence of contracts or practical ways to hold other party accountable	Creating smart-contracts in a single click
Advertiser pays upfront	Advertiser pays after campaign ends	Advertiser pays after campaign ends. Partial payment of contracts available



Always takes advertiser's side in disputes	Mostly takes advertiser's side in disputes	Fair, decentralized dispute system with independent experts
Information is collected by the agency and interpreted in a standardised report	Most platforms charge monthly fee for analytical tools, interpretation of report available only for top brands	Free analytical tools and campaign reports. Multiple custom reports, personalized dashboards and Big Data analytics for monthly fee
Reports for advertisers once in a certain period	Only a few services give real-time analytics	Real-time analytics
Create campaigns with any social media channels	Most platforms are limited to 1 or 2 social media channels	Wide range of social media channels for influencing campaigns (Facebook, Twitter, YouTube, Instagram, G+, Snapchat, WeChat, Telegram, Twitch, Blogs)
Work with a limited number of Influencers	Limited only to Influencers who have a registered account within the platform	Extensive Influencers database
Engage only Influencers already connected with	Complicated procedure of influencer's account verification (usually done manually)	Simple automatic account verification for Influencers
SMO (Social Media Optimisation) is charged separately	Usually, SMO is not available	Campaign creation with SMO tips and standards



socialmedia.market

4

# PLATFORM AND TOKEN ECONOMY

JANUARY 2018

ver 2.0.0 Draft version. May be amended.

## 4.1. BUSINESS MODEL

SocialMedia.Market business model is advertising marketplace for bloggers and advertisers with integrated analytical tools and services based on AI and Big Data analysis. SocialMedia.Market provides one-stop solution for finding, creating, managing and analyzing native advertising campaigns in the content (video, audio, photo and textual) of social media influencers and their impact on targeted audience.

The platform profit generated from service fees included in contracts and transactions. As opened global marketplace, SocialMedia.Market will attract advertisers giving them opportunity to run multiply advertising campaigns with large number of bloggers seeking for monetizing their content channels. SocialMedia.Market will also bring to agencies and marketers possibility to collaborate with big groups of brands and influencers, providing them marketing services within the platform. SocialMedia.Market will offer different ways of partnership and types of native advertisement formats, engaging social media network audience not only in brand awareness, but in direct sales as the main goal.

Simple use case of marketing campaign created on SocialMedia.Market can be an integrated promo content to YouTube video with tagged link to webservice or store of advertiser. Using access to site analytics linked to advertisers' profile it would be easy to follow audience interest in product and reward influencer for every sale generated from this channel. For example, native integration in video content will cost to advertiser 1000 SMT, giving to influencer additional 50 SMT for each sale made by his followers during 30 days period. SocialMedia.Market will redeem 10% fee from total contract value, unless influencer holds 5000 SMT deposit on his account. In this case 5% fee will apply to the executed contract.



## 4.2. SOCIAL MEDIA TOKEN

SocialMedia.Market's platform will create a global marketplace for Advertisers and Influencer Marketing publishers among every major social network, providing convenient and transparent tools for interaction of any party involved. For maintaining commercial relationships between participants, SocialMedia.Market will collect a service fee from every executed contract. The amount of the fee may differ depending on the type of contract and complexity of interaction between parties, but will not exceed 10% of the contract value. The obtained service fee, reduced by operational costs and decentralized Dispute Solution rewards, forms the platform's net profit.

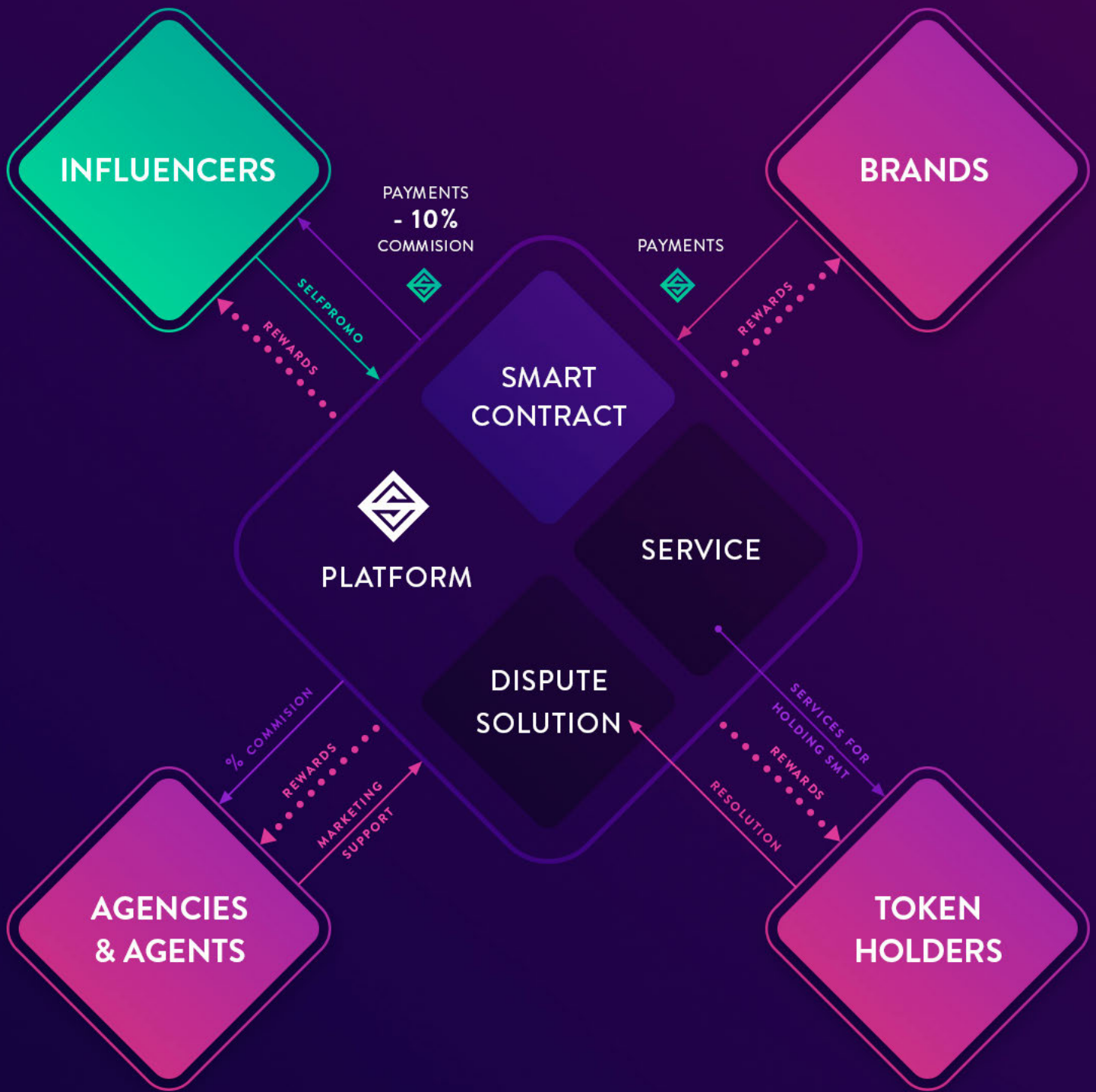
All operations within the SocialMedia.Market ecosystem are executed with its effective cryptocurrency token - Social Media Token (SMT), which ensures high standards of services and prevents any unauthorized human intervention in the processes within the system. The Social Media Token will create a self-driven economy, based on constant cooperation between influencers, advertisers, marketing agencies and agents. The token will be valuable for platform users, not only by transactional means within the platform's services, but also supported with exclusive features for token holders.

A user can utilize the following methods to operate the tokens:

- ◆ An integrated wallet on the platform's account;
- ◆ Import their Ethereum wallet containing SMT tokens with private key;
- ◆ Link an ERC20-compatible MetaMask wallet to the account.

Token holders will also have exclusive access to premium platform services. Holding a certain amount of tokens on their accounts will grant them access to deep analytical data, exclusive insights to audience outreach of bloggers they are willing to cooperate with, special advertising formats, content development tools for bloggers, channel audience growth strategies and campaigns, exclusive advertising contracts with well-known brands and marketing consultations.

Participation in the decentralized dispute solution system will not only support proper advertising campaigns execution and grant equal rights to every user, it will guide platform development. Voting for such resolutions will bring rewards to token holders for active personal participating. To participate in voting, user must maintain a certain amount of tokens on his balance on a constant basis.

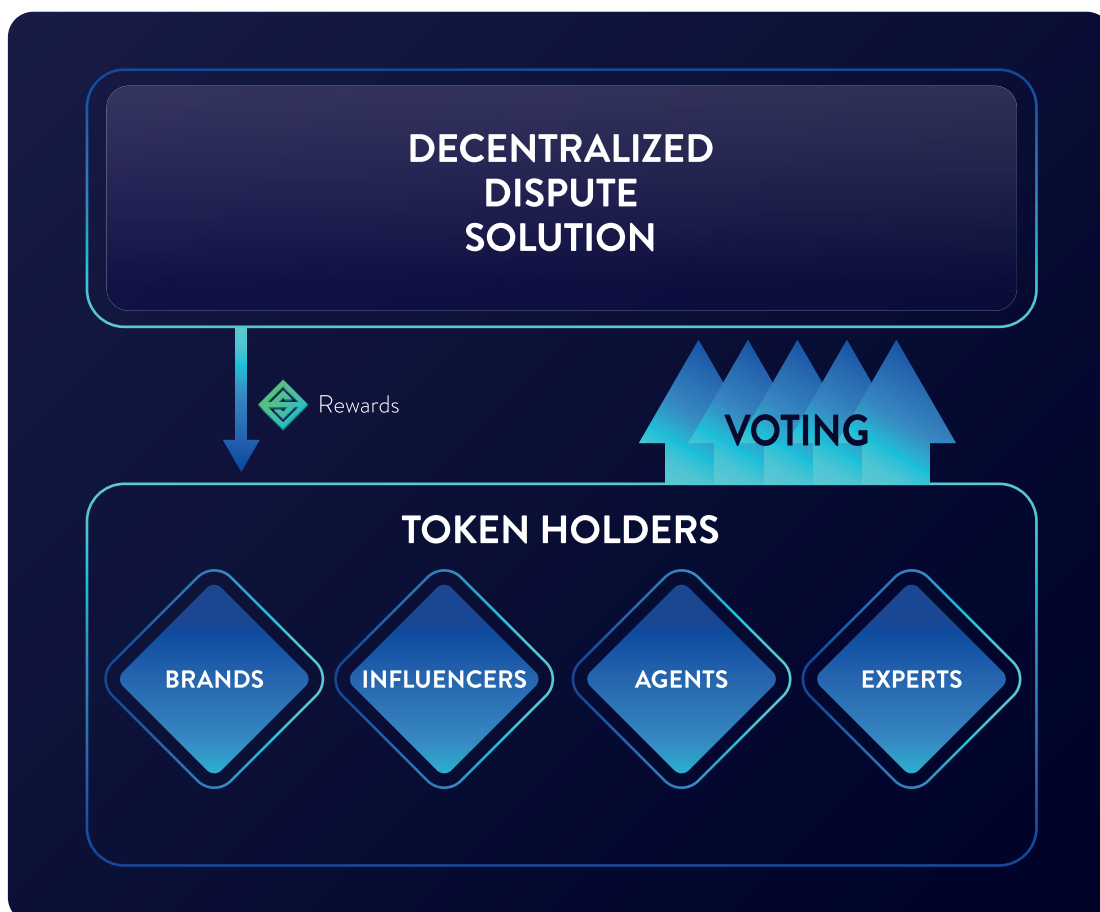


Moreover, token holders may perform dedicated marketing services for platform users and include their service fee to every executed smart contract from campaign they have helped to create.

Constantly maintaining a decent amount of tokens on balance will decrease the platform's fee for executing campaigns.

<b>PREMIUM ACCESS</b>	PREMIUM TOOLS FOR BRANDS AND BLOGGERS	DECENTRALIZED DISPUTE SOLUTION SYSTEM	REDUCED SERVICE FEE	AGENTS ADMISSION
<b>NECESSARY OWNERSHIP</b>	<b>15 000 SMT</b>	<b>10 000 SMT</b>	<b>5 000 SMT</b>	<b>5 000 SMT</b>

Integration within blockchain assets payment platforms like TenX, potentially can make SMT a popular, day-to-day payment method within the social media e-commerce network and the industry, as a whole. It can also become a convenient global donation method for bloggers and streamers in the early stages of their channel's content development.



Every platform user, or any person willing to become an industry expert, can be a part of SocialMedia.Market's decentralized Dispute Solution system. Experts who have actively participated

in the solution will be rewarded by SMT deducted from the platform service fee reserved in every Smart Contract.

In the platform's basic model, the Ethereum blockchain technology is considered as the most relevant for SocialMedia.Market's needs. Therefore, Social Media Tokens are going to be operated as ERC20 compatible tokens. However, with consistent development of SocialMedia.Market's platform and introduction of functionality driven by new technology solutions, there are prospective plans of migrating to another convenient blockchain platform such as EOS, Tezos, Raiden, Waves or self-developed blockchain protocol. In this case, all Social Media Tokens will be exchanged 1-to-1 with the new platform supported token. Tokens will be exchanged automatically after hitting users wallet on the platform (or linked one). 6 months transition period will be applied.

### **4.3. ADOPTION**

The key goal here is to introduce a decentralized influencer marketing marketplace to the audience that has little-to-no experience with the cryptocurrencies market and limited knowledge of the blockchain technology. The SocialMedia.Market ecosystem is to be expended way beyond the original crypto community, reaching broader audiences and focusing on advertisers and publishers daily operations. The SocialMedia.Market team has extensive experience in the influencer marketing industry, creating exactly what this audience wants. We are creating an marketplace, where the operation of the SMT token will be easy and intuitive, simplifying all the operations within the ecosystem and ensuring superior security at the same time. We are also making sure, that it will be extremely easy to create and maintain a cryptocurrency wallet with SMT tokens.



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5

# TECHNOLOGY OVERVIEW

JANUARY 2018

ver 2.0.0 Draft version. May be amended.



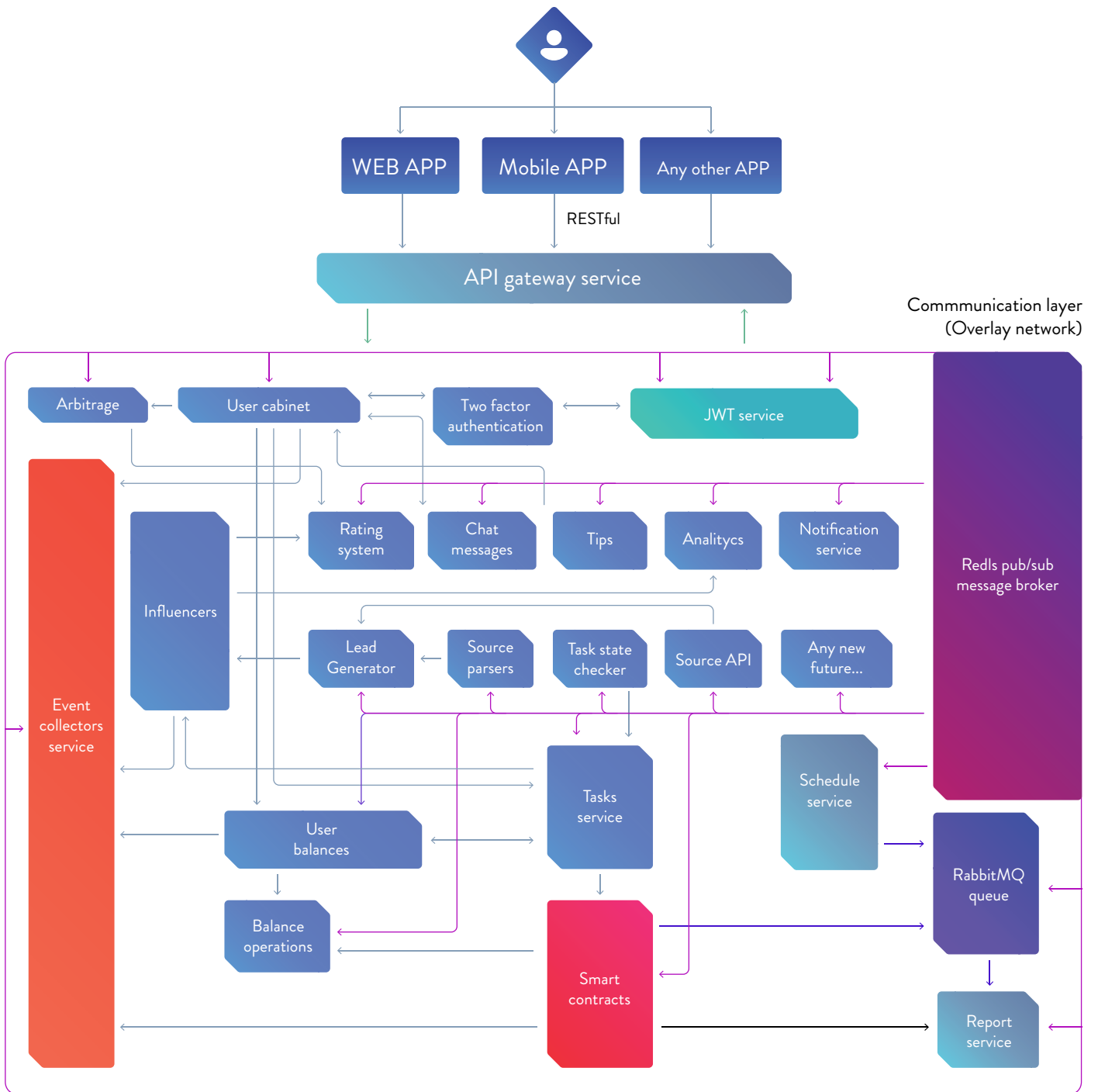
## 5.1 CONCEPT OF BUILDING AN APPLICATION

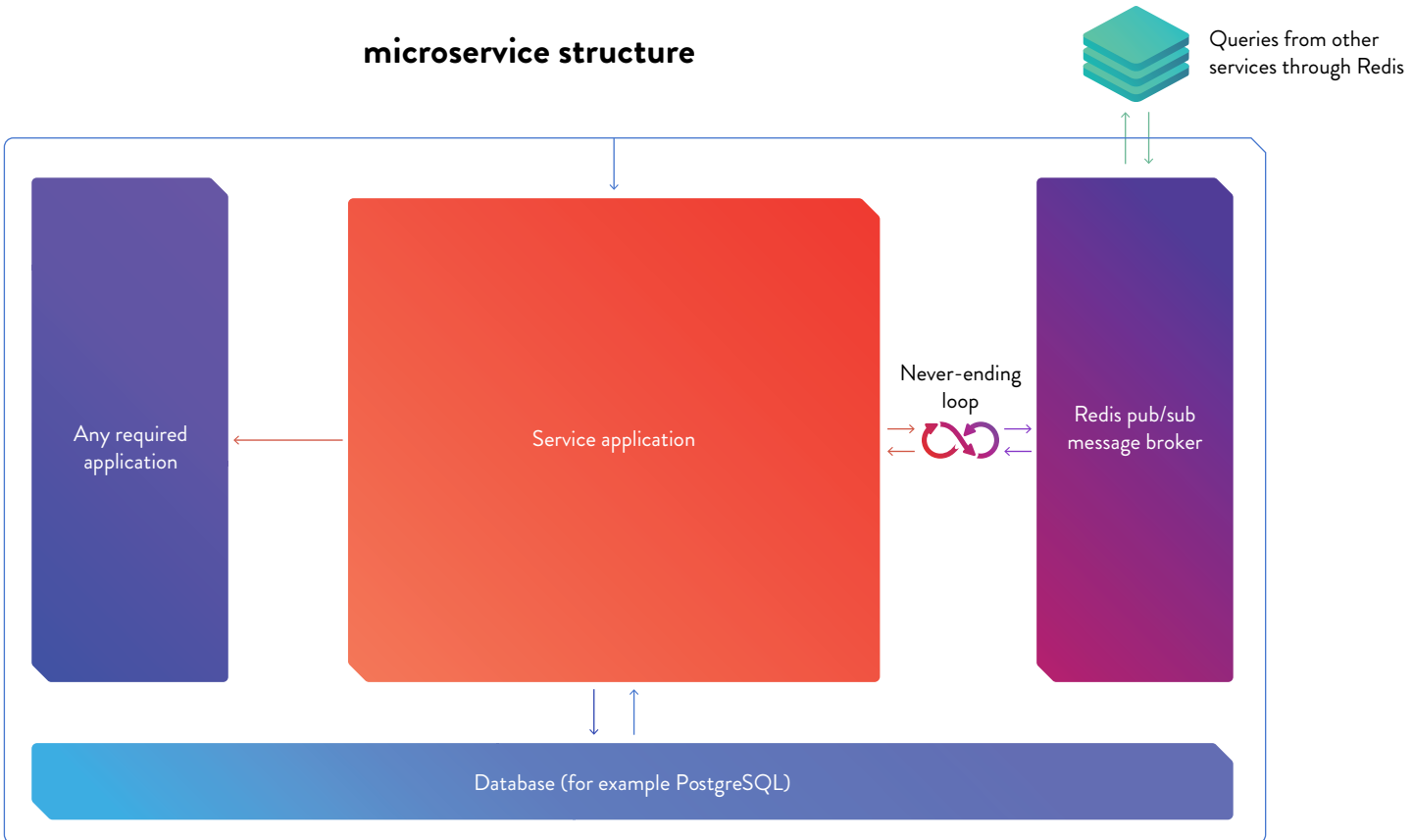
- ◆ Micro service architecture, relevant technologies according to specific needs, use of contemporary frameworks and patterns only
- ◆ Secure transactions with the help of blockchain and Smart contracts
- ◆ Service dockerizing, unique isolated environment for each service, reliable identical environment for each version of the product
- ◆ Orchestration of containers (kubernetes), seamless and separate service deployment
- ◆ Two-protocol communication between services - TCP/HTTP, isolated data transferring inside overlay net, JWT authorization between services during communication
- ◆ Application is deployed in the Cloud, automatic scaling of resources depending on the load, DDoS attack protection
- ◆ Application development using Agile (Scrum) methodology, Continuous integration, Continuous Deployment, code writing standards, multilayer testing of releases (including bug testing) during the development, distribution and deployment of services.

## 5.2 ARCHITECTURE

The application is thought to be built, based on micro-service architecture. Briefly, micro-service architectural style is an approach in which a single application is built as a set of small services, each of which works on a personal process and communicates with others using lightweight mechanisms – HTTP generally. These services are built around a business' needs and deployed independently, using a totally automated environment. There is an absolute minimum of centralized operation of these services. The services on their own can be written in different languages and can use different technologies of storing data.

# SOCIAL MEDIA MARKET ARCHITECTURE





## 5.3 DOCKERIZING

Dockerizing and isolating of components are not new concepts in the world of calculation. Some operation systems like Unix have been using "mature" container technologies for more than 10 years.

Docker, which appeared a bit later, has positioned itself as an instrument for simplification of the work aimed at creating and controlling containers. Docker did not introduce a lot of new ideas, but made containers available for an average developer and system administrator by the simplification of processes and interface standardization.

Some of most attracting advantages of dockerizing are:

- ◆ Abstraction of host system from containerised applications
- ◆ Scaling simplicity
- ◆ Simplicity of control over dependencies and versions of applications
- ◆ Very easy, isolated runtime environment

- ◆ Shared layers
- ◆ Ability to arrange and predictability

One of the first questions during the process of an application's development, which will be deployed in containers, is application architecture. Usually, containerised applications work better with a service-oriented architecture.

Service-oriented applications divide the system's functionality into separate components, which cooperate between each other through clearly defined interfaces. The container technology itself encourages such type of elaboration, because it allows scaling independently or updating each component.

## 5.4 ORCHESTRATION OF CONTAINERS

Orchestration — is a coordination of cooperation of several containers. Basically, you can create a container with all the necessary processes which have already started, but this approach lacks scaling flexibility, architecture change and creates security issues, as, in this case, the processes are not isolated and can influence each other without limits.

Orchestration allows the building of information systems from small bricks-containers. Each container oversees one task only, and communicates through networking ports and common directories. If necessary, the containers in this "orchestra" can be changed: for example, if you need to check the work of the application on a different database version.

Kubernetes is an open code project meant to control the cluster of Linux containers as a single entity. It allows for control, begins container dockerizing with a great number of hosts and keeps the collocation of large amounts of containers, work with services and replications controlled. The project was started by Google Company and is now supported by many other companies such as Microsoft, RedHat, IBM and Docker.

The project pursues two objectives. If you use Docker containers, you face the questions of how to scale and bootstrap containers at a large amount of Docker hosts simultaneously, and how to

balance them. The project offers high-level APU, which defines high-level logical grouping of containers. Using Kubernetes, it is possible to define container pools, balance loads and set mutual placement.

When using orchestrators as the main mechanism of container control, the possibility for “seamless” application update emerges, i.e. without real shut-down. The process of the start of each application version is as follows: the orchestrator creates a copy of the application (service) with new versions of the containers. After that, it checks the work status of each container and sends back status reports. If all statuses are positive, the orchestrator changes the old stack into a new one. Old stacks are then deleted.

## 5.5 COMMUNICATION BETWEEN SERVICES

The concept of micro-service architecture assumes that services actively communicate with each other, like how users communicate. While executing the request, the user refers to public service methods directly (made with the help of front application, mobile application etc.) using standard HTTP protocol, receiving answers simultaneously. If the service needs to receive an answer from another service(s) to form a response to a user’s request, it is done by sending a message by means of TCP protocol in asynchronous mode. This approach leads to minimization of query(s) overhead and elimination of dependence from the working capacity of interrogated service. It allows the response to a user request be as fast as possible, even if services can be in different data centers or are unavailable.

All services are based in overlay network. This sufficiently increases general application security. Overlay-networks are used in terms of clusters, where virtual networks, used by containers, unite several physical hosts, where Docker is started. When you start the container as a cluster (as a part of the service), multiple networks join by default, and each of them corresponds to different connection specifications.

Communication security is provided by JWT-authorization. JSON Web Token (JWT) — is a marker, which contains all baseline information for authentication and authorization in an encrypted way. However, you do not need to keep user data in sessions, as the marker is self-contained.

## 5.6 CLOUD AS A METHOD OF APPLICATION STORAGE

Cloud storage is a good way of storing data and providing access to it (including access through the Internet) with the possibility of scaling the resources. This is the storage, which keeps data at multiple distributed servers, which are provided for the use of clients. Cloud service providers like Amazon Web Services or Google Cloud, own the equipment, which is connected to the net and software, and operate it, while users allocate and use the necessary resources by means of internet application. Cloud storage releases expenses connected to purchase and technical service of personal storage infrastructures. It increases flexibility, provides global scalability and allows the possibility to access the data at any time and from any place.

One of the important features of cloud storing is Auto-Scaling. Auto-Scaling allows support of the application availability at a permanently high level, and it dynamically scales the resources upwards and downwards in an automatic mode, depending on specified criteria. Auto-Scaling can be used for controlling groups of instances, to keep the group operational and available, and guarantees that a required number of instances is used at any time. You can also use Auto-Scaling for the dynamic scaling of instances, to increase its amount during maximum load for keeping the performance ratio and lowering the volume of used resources within off-peak periods to reduce cost. Auto-Scaling suits applications with sustainable load pattern well and applications where the usage level changes hourly, daily, or weekly.

The high-level of availability of the application is provided by security services from divided DDoS attacks, such as Cloudflare, Incapsula etc.

Many cloud services offer “box” DDoS security services or on an additional basis. Generally, the service is chosen based on specific technical needs for a specific application. For our application we have chosen Cloudflare.

CloudFlare – is a service, which allows you to create your website faster by means of caching and makes it safer by means of filtering requests, which are like attacks. At the same time, you do not need to introduce any specific changes to the project. It can be achieved by adding a web site address to the service and changing NS entry for your domain.

## 5.7 APPLICATION DEVELOPMENT AND SUPPORT

Application development is done using Agile. In search of the best Agile practices, we have Scrum framework.

Scrum – is a framework, which is meant for development and support of complicated products. The framework is based on the empiric method and is meant for development of high-value products in muddy environments.

Apart from controlling the software development projects, Scrum can be used in the software support team's work, or as an approach to controlling the program's development and administration: Scrum of Scrums.

This is a process framework, which gained extensive use in the beginning of early 90s in terms of compound product development. Scrum is not the process or method for product development. Rather, it refers to the possibility to use multiple processes and techniques within the unique framework. Scrum lets us understand the effectiveness of operating processes and technical practices for product development, and work on their constant improvement as well.

## 5.8 BASIC TECHNOLOGY STACK

- ◆ PHP 7 (Symfony 3), NodeJS, RESTful,
- ◆ Doctrine 2, MySQL (Galera cluster), MongoDB
- ◆ RabbitMQ, Redis, ZeroMQ
- ◆ Angular 4, Bootstrap 4, SCSS, Jade, Webpack
- ◆ Docker (compose, swarm, hub)
- ◆ Git, Bitbucket, Gitflow
- ◆ Rancher, Nginx, Traefik, CircleCI, Satis, Cloudflare
- ◆ Amazon AWS, Google Cloud, Linode, Digital ocean
- ◆ Jira, Confluence, Gmail, FreeIPA
- ◆ Centos 7, Ubuntu



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6

# DEVELOPMENT AND ECOSYSTEM EXPANSION PLAN

JANUARY 2018

ver 2.0.0 Draft version. May be amended.



## 6.1 ROADMAP

The SocialMedia.Market roadmap focuses on the development of the technology, operations infrastructure, new partnerships, and marketing initiatives. The roadmap is presented below. Dates and activities may be subject to change.

DATE	PRODUCT	GENERAL
Q4 2017	<ul style="list-style-type: none"> <li>Designing basic interfaces</li> <li>Create software and cloud architecture</li> <li>Create Tasks service</li> <li>Create Analytics service</li> </ul>	Global PR activities targeted on influencers and middle businesses
<b>DEC 2017</b>	<b>TOKEN SALE PHASE 1</b>	
Q1 2018	<ul style="list-style-type: none"> <li>Release Influencer Search Engine Interface for YouTube and Instagram Campaigns</li> <li>Release Campaign builder Interface for YouTube and Instagram Campaigns</li> <li>Smart Contract development and audit</li> </ul>	Global PR activities targeted on influencers and middle businesses
<b>FEB 2018</b>	<b>Launch of SocialMedia.Market Beta</b>	
<b>FEB-MAR 2018</b>	<b>TOKEN SALE PHASE 2</b>	<b>TOKEN EMISSION</b>
Q2 2018	<ul style="list-style-type: none"> <li>Release Influencer Search Engine Interface for Facebook Campaigns</li> <li>Multi-language support</li> <li>Testing</li> <li>Release built-in chat</li> </ul>	
Q3 2018	<ul style="list-style-type: none"> <li>Decentralized Dispute Solution System release</li> <li>Release of verification of a user's data via blockchain address</li> <li>Automate certain tasks in analytics for Advertisers (crawlers, etc.)</li> <li>Release interfaces for campaigns management (CRM)</li> <li>Release Influencer Search Engine Interface for Twitter, WeChat, SnapChat Campaigns</li> </ul>	<ul style="list-style-type: none"> <li>Brand awareness activities on US, EU markets targeted on influencers and marketing experts of all kind</li> <li>Massive marketing and educational campaigns</li> <li>Engaging brands and agencies with marketing budgets over \$10M</li> </ul>

<p><b>Q4 2018</b></p>	<p>SocialMedia.Market Alpha Application for brands launched in Google Play. Brands will be able to monitor status of tasks and negotiate with influencers</p>	<p>Global Brand awareness and marketing activities active phase</p>
<p><b>Q1 2019</b></p>	<p>App Store &amp; Google Play app for brands launch - added tools to manage campaigns and create Smart Contracts</p> <p><b>Worldwide launch</b></p>	<p>Global Brand awareness activities active phase (continue)</p> <p>Engaging brands and agencies with marketing budgets over \$35M</p>
<p><b>Q1 2020</b></p>	<p>Data Science platform functionality launched on full scale</p>	<p>Engaging brands and agencies with marketing budgets over \$63,7M</p>
<p><b>2020 and beyond</b></p>	<p>Strengthening the presence in the regions with connection of local social networks to the platform</p>	<p>Ecosystem expansion</p>

## 6.2 MARKETING STRATEGY

### ECOSYSTEM EXPANSION

As the technology required for operating the SocialMedia.Market ecosystem at scale will be available in Q3 2018, our focus will shift to project growth. As soon as the platform's interface is available, we are launching the investments in the network growth, scaling up with the further development of the ecosystem.

The marketing budget in the amount of 38% of the raised during the token sale is going to be distributed to the general international advertising campaign of the platform. Besides, the part of the budget will be forwarded to the development of regional offices and marketing campaigns. The regional advertising campaigns will be carried out by the representative offices of the regions (more about the development in the regions and allocated budget may be read in the chapter "Geographical Expansion plan") under the control of the head office of SocialMedia.Market in accordance with the guidelines of the company. The main purpose of the mission is the establishment, development and support of platform community in the region.

The expansion of SocialMedia.Market heavily depends on influencer and advertiser engagement within the platform.

### ADVERTISERS (BRANDS AND AGENCIES)

For rapid SocialMedia.Market platform evolution it is important to attract huge brands and advertising agencies. This will allow to bring more influencers to the platform, as they are interested in cooperating with premium advertisers.

Nevertheless, it is important for further development of the SocialMedia.Market platform to shift the main focus to the startups and small businesses. They are the basis for the future market growth and the platform evolution.

To reach the first ad campaign turnover goal (\$10M) by the end of Q3 2018, SocialMedia.Market plans to attract more than 1000 advertisers, who will start 2 ad campaigns each with average budget of \$7000. According to the recent estimates, the average campaign budget reaches \$75000<sup>1</sup>. We have reduced this sum, as SocialMedia.Market is primarily focused of startups and

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<sup>1</sup> Estimates are based on the Linqia "The State of Influencer Marketing 2017 Final Report"

small businesses.

To attract brands and agencies SocialMedia.Market is going to hold the following activities:

- ◆ Direct communication with brands and advertising agencies.
- ◆ Taking part in conferences and exhibitions. We are focused both on marketing and blockchain events, as well as the startup, technology and business development conferences.
- ◆ Educational sessions, online-seminars, creating educational content about influencer marketing and the SocialMedia.Market platform, as well as the opportunities and benefits of the blockchain technology and cryptocurrencies.
- ◆ Partnership with leading portals, influencers, marketing and business growth associations, business schools (the biggest influencer marketing portal – InfluencerMarketing-Hub is already our partner).

There are several programs to motivate brands to use the platform during the first year. They are focused on the ecosystem and user-retention.

SocialMedia.Market will run the Social Media Early Birds program, which provides the opportunity to run the first test ad campaign for free. This campaign will be with a fixed budget and a limited number of influencers. The test campaign budget will be calculated based on the token sale results.

NUMBER OF CAMPAIGNS	1	2-5	6-15	16-50	51-100	101 - - 150	151 - - 200	201 - - 500	501 - - 1000	1001 and more
RETURNING %	0,5%	1%	1,5%	2%	2,5%	3%	3,5%	4%	4,5%	5%

The next step is an accumulation system of advertiser rewards in the platform's commission – SocialMedia Rewards. The advertiser will be able to return up to 5% of their budget for a successful ad campaign. The percent of the return depends on the quantity of the influencers, being engaged in the campaign, and is independent of the campaign budget. The returned funds could be used for the next ad campaign and cannot be withdrawn from the system (there may be changes within the motivation program, after it has been tested). The program is developed based on the company's experience, which shows that for a successful influencer marketing

campaign it is important to reach at least 15 influencers.

This reward system will allow to motivate advertisers to start new ad campaigns on the platform, as well as to promote the blockchain technology and educate on the cryptocurrencies and utility use of Social Media Token.

## **INFLUENCERS AND AGENTS**

The more active influencers join the platform, the quicker the platform evolves. We are planning to execute several global ad campaigns to boost brand awareness and ensure the constant growth of the bloggers quantity on the platform.

As it was described in the chapter 3.7.1, while setting up the campaign and setting targeting options the brand can choose an automatically generated pull of bloggers. When a brand opts for this, every blogger who meets the targeting requirements will get a notification with an invitation to join the brands campaign, as well as with the information about the motivation program. This will be additional way to attract the new bloggers to the platform.

The SocialMedia.Market Early Birds program (which is active during the first year of the platform operations) is focused on engaging the blogger into the platform operations. It provides an opportunity to take part in the first several campaigns without any platform fees (the quantity of campaigns will be defined based on the token sale results).

Moreover (as previously noted in the chapter 4.2), every holder of 5000 and more tokens has access to the loyalty program, that allows to reduce the service fee.

For extra influencer motivation to join the platform as well as educate influencer on how to interact with the platform, each blogger will be offered to participate in SocialMedia.Market trial campaign. The trial SocialMedia.Market campaign is similar to campaigns created by brands, and introduces the influencer with the functionality of the platform, operation and interaction with the brand. Within the trial campaign the influencer will be asked to do SocialMedia.Market promotional post on the influencers linked social channel within any available types of content (review, product placement, etc.). Each participant of the campaign will receive a reward accord-

ing to the level of coverage of influencer (campaign budget will be determined upon the results of the token sale).

The work with the community is important in order to attract and maintain interest to the platform among influencers. Therefore a significant part of the marketing budget will be allocated on creation of educational content for influencers. We expect that this will provide rapid growth and support of the community. This educational content will be dedicated not only to tips on interaction with the platform, but also recommendations and tips for channel development, analytics, audience engagement and etc. Training for aspiring bloggers with help of professionals of the industry will create an additional channel of influence of the platform as well as lead to the greater coverage and better distribution of information about the platform.

## 6.3 GEOGRAPHICAL EXPANSION

The plan for presence development in regions is based on the popularity of social networks in a particular region and growth rate of new users<sup>1</sup>. The access to the regions complies with the development of platform and access to social networks relevant in the particular region. Our team's developing experience of our own projects such as [CSGO.CASH](#), provides us with the clear vision of what regions the influencer marketing is the most popular type of marketing. It has also been taken into account of this plan.

To achieve the project milestones, it will be necessary to build highly-competent international team to develop and promote the platform in different countries. Currently, the head office of SocialMedia.Market is located in Ukraine, Kiev, and operates an additional office in Moscow. Now we are working on opening an office in San Francisco, USA. In accordance with the plan of spreading up to the regions that can be seen below, we are to open offices in each of them. This activity will allow to carry out the search, support and interaction with local brands and influencers most effectively, considering all the features of every single region. The local offices will work with the local legal issues, services support in the region, training, implementing of local marketing activities along with establishing of relationships with major brands and bloggers in the region as a part of general strategy and guides of SocialMedia.Market.

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<sup>1</sup> For more detailed information check Appendix 1

Expansion plan depending on the amount of funds raised during Token Sale.

COUNTRY	\$2M	\$3,5M	\$5M	\$7,5M	\$10M	\$13M	\$16M
UNITED STATES	✓						
RUSSIA, CIS	✓						
UNITED KINGDOM	✓						
CHINA		✓					
JAPAN		✓					
BRAZIL		✓					
EUROPE			✓				
CANADA			✓				
MEXICO			✓				
AUSTRALIA				✓			
VIETNAM				✓			
ARGENTINA				✓			
THAILAND					✓		
INDONESIA					✓		
INDIA					✓		
SAUDI ARABIA						✓	
SINGAPORE						✓	
MACAO							✓

SocialMedia.Market is launching activity to deliver the research of the China, Japan and Brazil markets by the time the service is developed and fully launched in US, UK and CIS markets. The company will expand to new markets and add new features, reaching set budget goals during the main token sale.

The sums presented as milestones are required for research and development of new functionality, establishment of the company on the new markets, legal and financial regulations, hiring a team of professionals, as well as the first two years of operation on the new market.

After these two years the branch either becomes profitable or becomes closed.

Every new country should become profitable for operations within 6-12 months from the market entering.

Every half of the year we are assessing the development of the company in the country, it's potential and are deciding on the plan for the next 6 months.

## 6.4 REVENUE FORECAST

Based on a pessimistic growth of influencer marketing market and average cost of campaigns launched with Influencers, we can make a rough estimation of a financial forecast. Average cost of campaigns will rise with more bloggers and agencies join the platform.

### PESSIMISTIC GROWTH

	2017	2018	2019	2020	2021
MARKET VOLUME	2 000 000 000	2 750 000 000	3 500 000 000	4 250 000 000	5 000 000 000
PLANNED MARKET SHARE, %		0,5%	1,0%	1,5%	2,0%
PLANNED MARKET SHARE		13 750 000	35 000 000	63 750 000	100 000 000
AVG CAMPAIGN COST		7 000	15 000	25 000	25 000
NUMBER OF CAMPAIGNS		1 964	2 333	2 550	4 000
REVENUE		1 375 000	3 500 000	6 375 000	10 000 000
EXPENSES	(552 000)	(3 313 100)	(4 589 300)	(3 993 000)	(3 487 000)
EBITDA	<b>(552 000)</b>	<b>(1 938 100)</b>	<b>(1 089 300)</b>	<b>2 382 000</b>	<b>6 513 000</b>

Forecast of a breakdown of funds raised by years in case of reaching hard cap during the main token sale.

### EXPENSES BREAKDOWN, USD

	2017	2018	2019	2020	2021
DEVELOPMENT	(120 000)	(1 800 400)	(1 800 000)	(1 293 000)	(1 293 000)
MARKETING	(320 000)	(673 600)	(2 060 000)	(2 060 000)	(1 560 000)
OPER. COSTS AND BACKOFFICE	(102 000)	(482 400)	(510 000)	(510 000)	(504 000)
LEGAL	(10 000)	(356 700)	(219 300)	(130 000)	(130 000)
TOTAL EXPENSES	<b>(552 000)</b>	<b>(3 313 100)</b>	<b>(4 589 300)</b>	<b>(3 993 000)</b>	<b>(3 487 000)</b>



Cost allocation scenarios depending on the amount of funds raised during token sale:

**COST ALLOCATION SCENARIOS, USD**

<b>FUNDS RAISED</b>	<b>16 720 000</b>	<b>7 500 000</b>	<b>2 500 000</b>
<b>DEVELOPMENT</b>	37%	40%	45%
<b>MARKETING AND EDUCATIONAL CAMPAIGNS</b>	38%	40%	40%
<b>OPEX &amp; BACKOFFICE</b>	12%	10%	8%
<b>BONUSES FOR BLOGGERS AND AGENCIES</b>	8%	6%	4%
<b>LEGAL</b>	5%	4%	3%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



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**7**

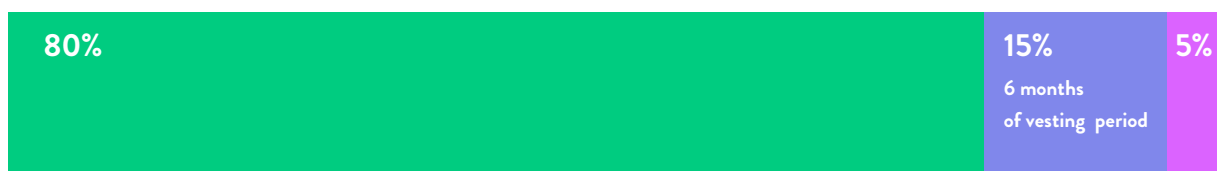
# TOKEN DISTRIBUTION

JANUARY 2018

ver 2.0.0 Draft version. May be amended.

## 7.1. OVERVIEW

Social Media Tokens (SMTs) will be issued as ERC20 compatible tokens. Based on the number of tokens distributed during both sale phases, 10% more tokens will be issued for team and 5% platform core functionality (6 month of vesting period), and 5% for partners and advisors. This will form the total amount of SMTs ever issued.



15% of tokens issued for team and platform core functionality will be locked for 6 month, 5% issued for platform core functionality will be unlocked immediately after vesting period ends, 10% of tokens issued for the team will be proportionally released during next 12 month. 4% of tokens will be issued for advisory board. No vesting period set for it.

Contributed funds will be allocated in ETH and USD in equal proportion, order to cover operational expenses on time.

**TOKEN SALE SOFT CAP: 1 600 ETH (5 000 000 SMT)**

**TOKEN SALE HARD CAP: 16 000 ETH (MAX. 58 000 000 SMT)**

### TOKEN PRICE AND BONUS:

PHASE	PERIOD	MINIMAL CONTRIBUTION AMOUNT	TOKEN PRICE (WITHOUT BONUS)	BONUS	REFERRAL BONUS	TOTAL BONUS AVAILABLE
PHASE 1 PRE-SALE	20 NOV-7 DEC 2017	0,01 ETH	0,00033 ETH	30%	0%	30%
PHASE 1 PUBLIC SALE	7-21 DEC 2017	0,01 ETH	0,00033 ETH	10%	0%	10%
PHASE 2 PRE-SALE	2-9 FEB 2018	25 ETH	0,0004 ETH	20%	3%	23%
PHASE 2 PUBLIC SALE	9-13 FEB 2018	0,1 ETH	0,0004 ETH	15%	3%	18%
PHASE 2 PUBLIC SALE	14-28 FEB 2018	0,1 ETH	0,0004 ETH	10%	3%	13%
PHASE 2 PUBLIC SALE	1-16 MAR 2018	0,1 ETH	0,0004 ETH	5%	3%	8%

## 7.2. TOKEN SALE: PHASE #1

Public sale of Token Sale: Phase #1 was held 7-21 of December 2017. 7 553 358.45 SMTs were sold during the Phase. Soft Cap successfully reached.

PRE-SALE DATES: 20 November - 7 December 2017 12:00 GMT (1:00 pm CET)

START DATE: 7 December 2017 12:00 GMT (1:00 pm CET)

END DATE: 21 December 2017 12:00 GMT (1:00 pm CET)

SOFT CAP: Reached during Token Sale: Phase #1

Token exchange rate: 1 ETH = 3000 SMTs

Minimum contribution amount: 0,01 ETH / 30 SMTs

Maximum contribution amount: unlimited

Contribution methods: ETH, BTC

Bonuses: Pre-Sale: 30%, Public sale: 10%



[SocialMedia.Market](#)  
[Smart Contract on GitHub](#)

## 7.3. TOKEN SALE: PHASE #2

START DATE: 9 February 2018 12:00 PM GMT (1:00 pm CET)

END DATE: 16 March 2018 12:00 PM GMT (1:00 pm CET)

PRE-SALE: 2-9 February 2018 12:00 PM GMT (1:00 pm CET)

Token exchange rate: 1 ETH = 2500 SMTs

Minimum contribution amount: 0,1 ETH / 250 SMTs

Maximum contribution amount: 300 ETH

Contribution methods: ETH, BTC, LTC, XRP, BCH, DASH, DOGE, ETC, NEO, XMR, ZEC

Bonuses: Pre-Sale: 20% (min. contribution 25 ETH)

Public Sale: Days 1-5: 15%, Days 6-20: 10%, Days 21-35: 5%

Referral Program Bonus: Give 3%, Get 5%

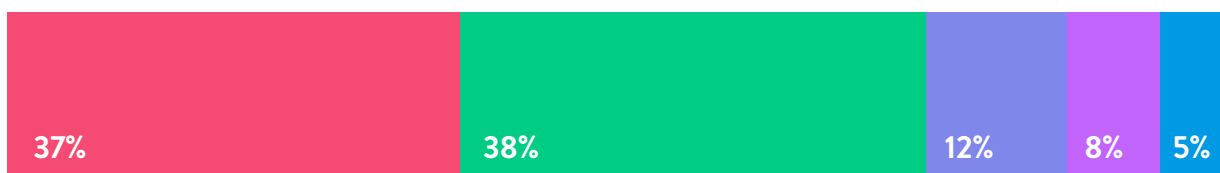
Distribution of tokens to the purchaser's account located at [ico.socialmedia.market](http://ico.socialmedia.market) (the "Website") will be made in accordance with terms and conditions, provided at the Website, by the later of: (a) within Two (2) weeks upon completion of Tokens sale, or within Two (2) weeks from the date when Hard Cap is reached (although SocialMedia.Market may extend the delivery deadline for additional time if necessary to address any unforeseen technical difficulties and provided that SocialMedia.Market notify the purchaser of the same), or (b) within Two (2) weeks after the purchaser has provided complete and accurate information required by SocialMedia.Market (KYC), as defined in clause 7.4 below.

## 7.4. KNOW YOUR CUSTOMER (“KYC”)

At any time within the timeframe of ICO process, or after the ICO is completed, SocialMedia.Market will send to each purchaser, request to provide information verifying her/his identity. The purchaser will be required to provide the copy of her/his ID (passport, driving licence or national ID card), and residence confirmation. SocialMedia.Market reserves the right, at its sole discretion, to request the purchaser to provide additional information, including, but not limited to, address, source of funds, or any other information in purchaser’s account (form), such as date of birth, citizenship, country of residence. Completion of KYC is a substantial and fundamental condition of token distribution. All purchasers are required to complete KYC procedure to SocialMedia.Market satisfaction.

## 7.5. USE OF FUNDS

The funds raised through the token sale campaign will be allocated for all SocialMedia.Market platform features available for all ecosystem participants, as well as strong marketing support for fast growth in the number of the platform users, and simplification of the process of getting used to the new tools for advertisers and bloggers.



### **37% RESEARCH & DEVELOPMENT**

Fees for this Fund will cover the costs of developing the platform, including all necessary interfaces and applications of the platform, the development of tools for creating smart contract, the development of blockchain solutions for the system of dispute settlement, etc. This budget includes the extension of current R&D center up to 25 employees, as well as additional consultations with the necessary experts.

### **38% MARKETING & EDUCATION CAMPAIGNS**

We have allocated the budget for attracting both advertisers and bloggers, as well as user retention. You can find all about the project’s marketing initiatives in the “Marketing strategy” chapter.

### 12% ADMINISTRATIVE & OPERATIONAL

This budget is allocated to cover the expenses of the back-office, as well as the salaries of all the employees, excluding the development center.

### 8% INFLUENCERS & AGENCIES BONUSES

This budget is allocated separately from other marketing expenses for additional motivation programs for bloggers and advertisers on the platform – SocialMedia.Market Early Birds, SocialMedia Rewards.

### 5% LEGAL

This budget is allocated to cover the legal expenses for the platform development and its roll out in ne regions.

## 7.6. BOUNTY AND REFERRAL PROGRAMS

Referral reward to a referral link owner is 5%, based on the number of tokens purchased using the referral link. Those who bought tokens using a reference link receive an extra 3% bonus.

#### YOUR REFERRAL LINK

<https://ico.socialmedia.market/?ref=4b614d4a508eb482282e9f15>

COPY LINK

This is your SocialMedia.market referral link. You can use it to share the project with your friends and other interested parties. If any of them sign up with this link, they will be added as your referrals. Your reward amounts equals to 5.0% of all Social Media Tokens purchased by your referrals. And your referrals will get a +3% bonus to tokens they bought.

Total bounty allocated for bounty campaign will be either 0.7% of the total SMT tokens sold or 560k SMT tokens, whichever is lower.

ACTIVITY	BOUNTY POOL
TWITTER CAMPAIGN	10%
FACEBOOK CAMPAIGN	10%
INSTAGRAM CAMPAIGN	10%
BLOG ARTICLE & VIDEOS CAMPAIGN	20%
SIGNATURE CAMPAIGN	25%
TELEGRAM CAMPAIGN	5%
TRANSLATION CAMPAIGN	20%

More details: <https://bitcointalk.org/index.php?topic=2321059.0>.

# 8. TEAM

## 8.1. OUR TEAM

35 people now involved in the project and we are hiring more marketing specialists, blockchain engineers and growing our development team. We are expecting to increase SocialMedia.Market team to 50-70 people in the next 4 months. Now 40% of personnel running marketing strategies, 35% R&D team and rest is operational, administrative and support.



**DMITRY  
SHYSHOV**

**CEO, FOUNDER**



A passionate entrepreneur, the CEO and founder of R.Games and Nontita Limited, operating in games.



**ALEXANDRA  
MOROZOVA**

**CO-FOUNDER, CMO**



Aleksandra has more than 7 years of experience in digital marketing and worked on marketing campaigns for Apple, Sony, Dell, Asus, Lenovo, Microsoft Xbox.



**MAKSYM  
CHURKIN**

**TECH LEAD**



Maksym is an experienced full product modular architecture specialist and Scrum master.



**VIKTOR  
PEREKHOD**

**BDM**



Viktor has more than 8 years of expertise in building strategic marketing campaigns for new products and identifying new business opportunities.



**YEHOR  
SHYSHOV**

**BDM**



**OKSANA  
PODKAMENNAYA**

**FINANCIAL OFFICER**





**DIMA  
MEDVEDCHUK**  
SOFTWARE ENGINEER



**EVHENYJ  
YVASHKO**  
SOFTWARE ENGINEER



**TAKA  
SUPHLER**  
SINIOR FRONTEND



**NIKOLAY  
KRAVCHENKO**  
FRONTEND ENGINEER



**MAKSIM  
KOVALENKO**  
BACK-END DEVELOPER



**YAN  
BORMAN**  
QA ENGINEER



**YURIY  
KOVALENKO**  
QA ENGINEER



**NIKITA  
MEDVEDEV**  
HEAD OF SEO



**ALEXEY  
IGNATOV**  
MARKETING LEAD



**MAKSIM  
KRUPEC**  
HEAD OF PPC



**ALEXANDER  
GRECHANYK**  
CREATIVE DIRECTOR



**YEHOR  
SKLYAROV**  
CONTENT WRITER



**MAKSIM  
SHEVCHENKO**  
CREATIVE DESIGNER



**VICTOR  
ANDES**  
MARKETING EXPERT





**TATIANA  
SAPA**

SEO EXPERT



**NIK  
NOVIK**

LEAD MEDIA BUYER



**IVAN  
BABJUK**

MEDIA BUYER



**YEVHEN  
PYLYPENKO**

MEDIA BUYER



**ALEX  
GORBACH**

CUSTOMER SERVICE



**OLEG  
OLEJNIK**

CUSTOMER SERVICE



**ALEX  
KOBIZHSKYJ**

CUSTOMER SERVICE



**ZLATA  
TKACHENKO**

CUSTOMER SERVICE



**ROMAN  
BURIY**

CUSTOMER SERVICE



**DMITRIY  
KUZMIN**

CUSTOMER SERVICE



**BOGDAN  
MOROZ**

PYTHON DEVELOPER



## 8.2. OUR ADVISERS



**Keith Teare**

**Executive Chair UK venture company  
ACCELERATED DIGITAL VENTURES**

Keith Teare recently advised on the successful ICOs of ICOBox (4000 BTC) and Crypterium (\$51mln+). Previously he was a founder of TechCrunch and the first consumer Internet Service Provider in Europe - EasyNet. EasyNet and RealNames both achieved Unicorn status during the late 1990s.



**Andrew Playford**

**Senior Vice President of Operations,  
SONIC FOUNDRY, INC**

Prior to Sonic Foundry, Andrew ran operations for Think New Ideas, another NASDAQ listed company that acquired and combined digital marketing and web development companies. Think New Ideas was ultimately acquired for more than \$250mm.



**Tatsunari Ono**

**CEO, Value Brain Co., Ltd. (Japan)  
CEO, Beducate.ltd (Hong Kong)**

Businessman who is actively engaged in investment activities in real estate, equity, Airbnb operations as well as cryptocurrency. He held Tokyo meetups of well-known cryptocurrency firms such as NEO, LISK, Quantum and Ardor.



**Gabriel Zanko**

**Tax Manager & Advisor  
NOKIA CANADA & NOKIA CHILE**

Fintech entrepreneur-Advisor. Founder of MobyYourLife and involved in the AI-Fintech space providing solutions in the B2B space. ICO advisory in Fundraising Capital, International Business Development, Crypterium, FluzFluz, Genesis Vision





### Chafik Abdellaoui

Entrepreneur, the founder ACBMC, Bizzant, XEDYAS IT HYBRID SOLUTIONS

The person behind G2A explosive growth, as well as contributor to Mobile Go ICO success. Chafic is an accomplished business development professional with an extensive experience in eCommerce, gaming and electronic payments.



### Dima Zaitsev, PhD

Head of International PR & Business Analytics Department Chief, ICOBOX

2017 Dima became interested in blockchain and cryptocurrencies and started conducting limited-scope market research. He has his own columns on several Media Outlets in the U.S. including FXStreet.com, CoinSpeaker.com, and others.



### Peter Zhalov

Former VP Marketing & Advertising at Wargaming.net, eSports and blockchain enthusiast



### Alex Yastremski

Legal Counsel, San Francisco, Ca Blockchain regulatory / compliance expert

General counsel at Bitfury Group Ltd Fintech counsel Bingham McCutchen LLP



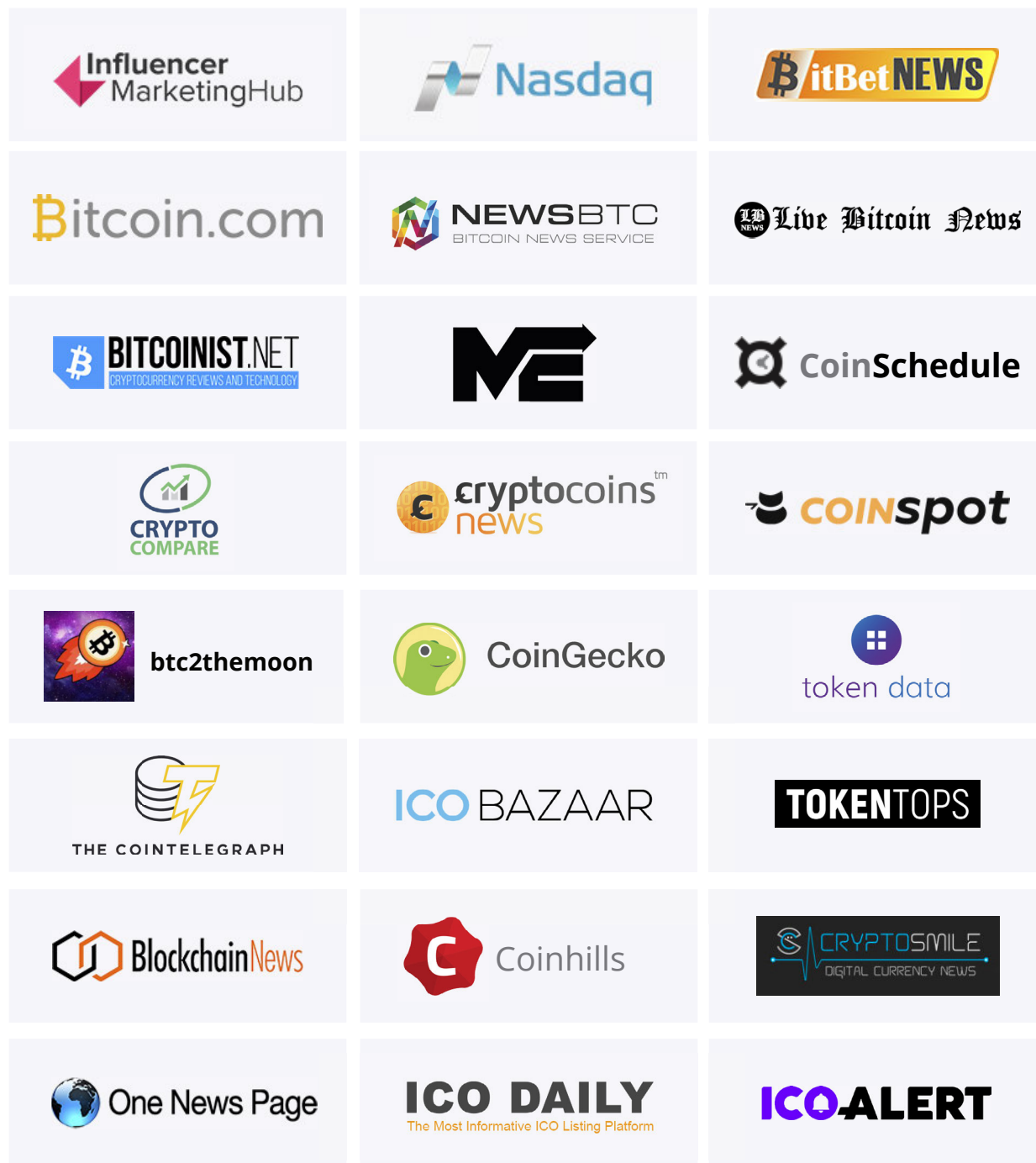
### Slavik Nenaydikh

COO, Centuria Natural Foods, San Francisco, CA

Head of M&A Emerging Markets, Exigen Capital Principal, Delphi Software International



# 9. MEDIA



and many other on [SocialMedia.Market](https://socialmedia.market) official website

# 10. CONTACTS

For all the questions or inquiries write us on

**INFO@SOCIALMEDIA.MARKET**

Official website:

**HTTPS://SOCIALMEDIA.MARKET/**

Join the conversation on:



**TELEGRAM EN**



**BITCOIN TALK**



**TWITTER**



**TELEGRAM RU**



**FACEBOOK**



**REDDIT**



**INSTAGRAM**



**MEDIUM**



**YOUTUBE**

# 11. RISK FACTORS

The purchase of SMT tokens (hereinafter referred to as the “Token” or “Tokens”) may be associated with a high degree of risk. To protect the interests of Token’s potential purchasers, SocialMedia.Market team conducted an analysis of such potential risks and outlined the result of this analysis in this chapter of the White Paper. IMPORTANT: THE LIST OF RISK FACTORS DESCRIBED BELOW IS NOT EXHAUSTIVE. IN ADDITION TO THE RISKS DISCLOSED IN THIS WHITEPAPER, THERE MAY BE EXISTING OTHER RISKS WHICH SOCIALMEDIA.MARKET TEAM AT PRESENT CANNOT REASONABLY FORECAST. These risks can materialize in other forms of risk than those specified here. Prior to acquiring Tokens, each potential Token purchaser is advised to carefully review all the information and assess the risks of such purchase, including but not limited to, the risks set forth in this Whitepaper and to decide upon purchase of Tokens based on such assessment.

## 12.1. TECHNICAL AND TECHNOLOGICAL RISKS

### 12.1.1. RISKS OF THE BLOCKCHAIN

Tokens are released on Ethereum blockchain. In this regard, any malfunction of the Ethereum protocol may lead to a restriction in the use of Tokens, and / or to the fact that Tokens or the platform will function in an unforeseen manner.

### 12.1.2. RISK OF HACKER ATTACKS ON THE PLATFORM, SMART CONTRACTS, OR TOKENS.

Tokens can be expropriated and / or stolen, by hacking Tokens, or otherwise. Hackers or other groups or organizations may attempt to intervene in a smart contract or Tokens in various ways, including, but not limited to, virus attacks, DDOS attacks, concerted attacks, network attacks, and denial of service attacks, and others. In addition, since the Ethereum platform is based on open source software, there is a risk that Ethereum smart contracts may contain intentional or unintentional errors or shortcomings that could adversely affect Tokens or lead to loss of Tokens, or loss of access or control Tokens. In the event of such an error or weakness of the software, there can be no remedy, and tokens owners are not guaranteed any compensation or compensation.

### **12.1.3. RISK OF HACKER ATTACK ON THE COMPUTER OF TOKENHOLDER, OR LOSS OF PASSWORDS / OF PRIVATE KEYS.**

Purchased Tokens can be stored by the tokenholder in her\his digital wallet or safe, for which a password, a digital key or a combination of digital keys is required. Accordingly, the loss of the necessary keys associated with such digital wallet or safe, can lead to loss of access to Tokens. In addition, any third party that gets access to such passwords and / or private keys (by way of getting (through hacking, or negligence of tokenholder) access to login credentials of tokenholders' hosting-wallet, or otherwise), will be able to use Tokens of the tokenholder. SocialMedia. Market assumes no liability for such losses.

**12.1.4. RISK OF USING NEW TECHNOLOGIES, AND CHANGES IN TECHNOLOGY IN THE FUTURE.** Tokens and blockchain are fairly new and relatively untested technologies. Although at the moment they have largely proven their efficiency, reliability and security, there is no guarantee that in future these technologies do not fail in any way. Further, as technological progress develops, flaws can be found in these technologies, which flaws will prevent their functioning in the way that they function at the moment. Finally, there is no guarantee that these technologies will be compatible with any new technologies invented in future. In the event of such incompatibility, use of Tokens and blockchain can be found unreasonable and stopped.

### **12.1.5. RISK OF INCOMPATIBILITY OF THE CRYPTOWALLET SERVICE.**

An electronic cryptowallet or wallet service provider that tokenholder has chosen \ will choose for obtaining and storing Tokens, must be technically compatible with Tokens. Failure to comply with this condition may lead to the fact that the tokenholder will not be able to get access to her\his Tokens. Tokenholders must independently determine the fact of the compatibility of the cryptowallet she\he registered, with the Tokens. SocialMedia. Market assumes no responsibility for any errors related to wrong determination of the above fact.

## **12.2. REGULATORY RISKS**

### **12.2.1. RISK OF REGULATORY UNCERTAINTY.**

Regulatory status of cryptographic tokens, digital assets and blockchain technology, is unclear or not defined in many jurisdictions. It cannot be excluded that such technologies, and, in particular, Tokens, will in future become subject to one or more (adopted or new) interpretations of laws (or



other regulations), court judgments, or actions by various regulatory bodies around the world, including, but not limited to, the imposition of restrictions on the use or possession of digital tokens, such as Tokens. Such changes can adversely affect Tokens in various ways, including, for example, by determining that Tokens are regulated financial instruments that require registration or compliance with other legal requirements and procedures. SocialMedia.Market may stop distributing Tokens, developing a platform or terminating operations in a particular jurisdiction if the actions of regulatory authorities of the relevant jurisdiction make it illegal or not commercially viable to proceed.

#### **12.2.2. RISK OF INABILITY TO OBTAIN, MAINTAIN OR RENEW LICENSES AND PERMITS.**

As of the date of Tokens sale, there are no statutory requirements requiring SocialMedia.Market to obtain any licenses and permits necessary for the sale of the Tokens, but the risk that such legislative requirements may be enacted in the future cannot be ruled out. In this event, possibility of sale and further use of Tokens will depend on the procedure of issuing such licenses and permits, and on compliance with their terms. We cannot exclude that requirements of the law will be technically or economically unachievable for SocialMedia.Market. SocialMedia.Market may stop distribution of Tokens, develop a platform or terminate operations in a particular jurisdiction in the event of economic, technological or other inability to obtain the required licenses or permits under such jurisdiction.

#### **12.2.3. THE RISK OF GOVERNMENTAL ACTION.**

The industry of blocking and reversing tokens is new, and simply by virtue of novelty can be subject to increased supervision and regulatory control, including investigations or enforcement actions. There can be no guarantee that the government will not study the activities of the parties. All this can be investigated, which in turn can have a significant negative impact on Tokens and / or platform development.

### **12.3. BUSINESS RISKS.**

#### **12.3.1. RISK OF FAILURE IN DEVELOPMENT.**

It cannot be excluded that for various reasons, including but not limited to, for reasons of insolvency of business or technological strategies or business arrangements, technological problems,

emergence of new technologies, etc., that the model that SocialMedia.Market developed and described in this Whitepaper, will not achieve the desired functionality, be inoperative, or work in a way different from what developers designed it for. Also, we cannot exclude the risk that for these or different reasons, development and implementation of the model can take longer than SocialMedia.Market predicts at the moment, and when the model is ready, it will appear to be outdated and/or irrelevant.

#### **12.3.2. RISK OF INSUFFICIENT IMPLEMENTATION.**

It cannot be excluded that, for various reasons, including, but not limited to, for reasons of insolvency of marketing strategies, external constraints, or competitors' actions, the model developed by SocialMedia.Market and described in this Whitepaper model may appear to be unpopular and/or unclaimed, lacking use and application.

#### **12.3.3. RISK OF DEPENDENCE ON THIRD PARTIES.**

Even after the launch, the model developed by SocialMedia.Market and described in this Whitepaper will rely, wholly or partially, on third parties, for adoption and implementation of certain functions, as well as for continuing its development, maintenance and support. Though above-mentioned third parties are carefully selected by SocialMedia.Market team, there is no insurance or guarantee that these third parties will do their job properly, or otherwise meet users' needs, and this can have a significant adverse impact on the platform.

#### **12.3.4. RISK OF LOSS OF CASH.**

The project described in this Whitepaper, the model developed by SocialMedia.Market, the platform being created, as well as any funds collected within the framework of the ICO described, are not insured. In case of failure of the project for any reason, loss of functionality of the Token or platform, there is no private or public insurance representative to whom tokenholders can apply for reimbursement.

#### **12.3.5. RISK OF FORCE MAJEURE.**

In the future, there may be extraordinary circumstances that SocialMedia.Market cannot reasonably anticipate or prevent and that may be subject to restrictions or impediments to the operation of SocialMedia.Market or Token platform.

# 12. SOURCES

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