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# ZOIDCOIN

DECENTRALIZED ADVERTISING

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**Executive Summary**





# EXECUTIVE SUMMARY

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Customers are constantly being hunted by *sellers* who try to force their products and advertising on the passive *buyers*. It is time to build a micro-economy and **change the way *buyers* and *sellers* communicate with each other.**

Digital marketing budgets are mostly spent on middlemen who move the data of individuals around in a loop of commissions, and they also charge for their knowledge of using the very complex ads managers of current platforms. These inefficient, yet cumulated marketing efforts result in **a higher overall cost for products and services.** Not only do individuals get their data grabbed off them, but they even pay a price for it with every purchase they make.

Within this paper we refer to actors that sell products or services as ***sellers*** and to actors that may purchase these products or services as ***buyers***.

The blockchain technology allows for real micro-economies to exist inside platforms and its transparent nature allows for conversions to be tracked beyond anything we have experienced before.

**Maximum efficiency in advertising can be achieved** by making both *buyers* and *sellers* aware of the consequences in a microeconomic system that tracks and rewards the benevolent stakeholders.

## Three core problems vitiate the industry:

- ***The buyers are not rewarded for their data***, so the buyers become a passive entity instead of an actor;
- Too many ***middlemen clog the industry*** with their infinite loop of commissions which makes the whole industry inefficient;
- The ***internal processes are outdated*** and do not scale correctly with the increase in size of the platforms.



The **ZoidCoin Network** is a decentralized advertising network built on top of a blockchain-based marketplace. **ZoidCoin** solves these core problems employing efficient market theory, game theory, technological advances and thus creating a carefully designed micro-economy based on our own protocol and a one-of-a-kind platform.

ZoidCoin encourages *buyers* to submit personal data by **rewarding them**. We reward our *buyers* with ZCN based on their interaction with our platform. Each *buyer* levels up in time from **Standard** to **Plus** and from **Plus** to **Pro**, increasing the benefits accordingly.

- We reward **positive feedback**;
- We reward **negative feedback**.

However, we also **penalize the lack of feedback** from *buyers* because that lack of feedback increases the costs for the *sellers* and we want to build a fair system where all actors need to be fair, the *buyers*, the *sellers*, and the *platform*.

The *sellers* use the platform to **advertise, sell, and manage their products and services in a cost-efficient way**. To help *sellers* advertise on the platform with no help from middlemen, we will build a template-driven ads manager. This way *sellers* can choose niche specific templates to build ads, making their job on the creation side as easy as possible.

Our final aim is to have *buyers* make conversions from *sellers* as fast and cost-efficient as possible. We designed our system keeping this in mind. The advertising cost for the *seller* is determined by the **seller rating** inside the platform. That **seller rating** is calculated by assessing:

- The performance of the *seller*, which gives us the **performance rating**;
- The fairness of the *seller*, which gives us the **fairness rating**.

To provide **help to sellers and increase their performance rating**, we create short tutorials for each of the features on the platform. This feature is our way to mitigate the possibility of *sellers* performing low and being frustrated with the platform.



We have covered the event when the *seller* still fails to adapt to the system and thus receives low performance rating by creating explanation videos where the *sellers* see examples of how they got to receive bad performance ratings (examples with their ads and the actions the *buyers* had to make to adjust the ads).

These videos are mandatory and must be watched entirely. At the end of each video the *sellers'* performance score is reset to the average score on the platform.

The idea is to teach, not punish, as our goal was always to create an advertising platform for everyone, not only the rich companies who can afford to pay agencies for ads, this way we can truly lower the involvement of middlemen.

**To decide the *fairness rating* of the seller** we take into consideration:

- ***post-purchase feedback* :**

For the buyer's opinion side, we look strictly at post-purchase reviews. This means that the buyer needs to first **purchase a product before reviewing the seller.**

- ***platform metrics* :**

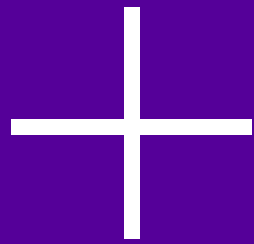
From the platform metrics perspective, we look at price manipulation, especially around discount seasons. Transparent communication cannot exist without trust from both sides, therefore we only **ensure both parties are trustworthy.**

The micro-economy happens while the ZoidCoin Network insures:

- **User Security** blockchain-guaranteed;
- **User Anonymity** guaranteed by our *Zoid Privacy Protocol*;
- **Security of ZCN payments** between *buyers* and *sellers*.



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