



# REFTOKEN

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## White Paper & Business Plan

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## Executive Summary

### Opportunity

As the Ethereum DAP ecosystem expands downstream towards B2C oriented applications, a key bottleneck will emerge where companies looking to scale rapidly will need to acquire end users at a rate that is greater than the adoption of blockchain technology by the mainstream.

RefToken aims to connect DAP developers with marketers and publishers that are best poised to deliver real user base growth via a trustless performance based instant payment structure secured against a smart contract, thereby sidestepping the issues of ad fraud that Google has described as the single “largest threat to the internet economy”.

# Opportunity

## Problem & Solution

### Problem Worth Solving

Generally speaking developers on the leading edge of new technology are less focused on marketing and user acquisition than they are on perfecting their product. The incumbent mentality being that users will naturally gravitate towards a great product. In reality though, users cannot gravitate towards any product that they are not aware of, regardless of its usefulness. User acquisition costs have grown exponentially expensive over the last few years, whilst early stage participants have become even more savvy about determining the traction a product has or has not gathered in its market. These two factors present the perfect opportunity for publishers, that have been struggling with decreasing ad revenues due to ad blockers and shrinking CPM rates to drive their substantial user traffic to relevant products through performance based affiliate programs.

Whilst affiliate marketing is a proven growth driver in segments such as finance, gambling and online shopping, the current model has multiple inbuilt inefficiencies such as the delay in affiliates receiving payments due to monthly payment cycles (causing cash flow issues for low margin/high volume operators), the propensity of affiliate fraud, rogue brands rescinding commissions and operational issues such as chargebacks causing disputes between brands and affiliates.

### Our Solution

*“Our mission is to build a trustless performance marketing platform to bring distributed apps to the mainstream”*

RefToken will be a disruptive force in the affiliate marketing space as it will eliminate the above issues by leveraging the following benefits of the Ethereum blockchain:

- Smart contracts will govern the satisfaction of conversion events eliminating disputes on conversion triggers
- All revenue & conversion data will be added to the blockchain, creating an immutable audit trail that allows brands to audit and hold affiliates accountable for fraudulent behaviour
- Commission payments will be issued automatically & instantly eliminating payment defaults and cash flow issues

RefToken is well positioned to become the driving force in bringing DAP and blockchain based products to the mainstream. We believe that we are on the cusp of an exponential growth in Ethereum based projects, and that the forthcoming years will see an explosion of demand for users. RefToken will be the link that connects these projects to the partners that can deliver these users and govern the commercial relationship between the two entities.

### Core Objectives

- **Build the world's most transparent & trustless performance marketing tool**

Transparency and efficiency will allow brands and publishers to focus on maximising growth, free from concerns of malpractice by the other party, thereby strengthening the blockchain based economy.

- **Create the ubiquitous blockchain affiliate marketing platform**

RefToken will connect affiliates with the brands that resonate most with their audience, allowing them to offer real value to their users. The platform will provide full end-to-end coverage for brands and affiliates to discover each other and build a longstanding, mutually profitable relationship.

- **Become the gold standard for blockchain performance marketing**

RefToken will strike a first mover advantage, and will leverage on its team's multi-decade experience in the affiliate market (on both the brand and affiliate side of the equation) to build a product that provides solutions to pain-points that have plagued the industry for decades.

### Target Market

The broad market for RefToken can be segmented into three distinct sectors.

1. *Merchants and service providers.* These are the backbone of the eCommerce market and comprise any operator looking to generate sale via a performance marketing channel. This is the broadest and most competitive segment of the market and encompasses everything from giants such as Amazon.com to boutique B&Bs. In 2016, this market generated €22.049 trillion in sales, up 6.0% from the previous year. It is estimated that sales will top €27 trillion in 2020 (albeit at slightly decreasing growth rates) <https://goo.gl/1A92Ym>. These estimates exclude travel, food and event ticket sales. As VC funding inevitably makes its way into the Ethereum ecosystem, start-ups are going to be under real pressure.

2. *ICOs, and companies supporting them.* As the momentum behind ICOs increases, a thriving ecosystem is forecasted to develop around the supporting, promoting, vetting, structuring and launching of said events. Whilst the current model of crediting early contributors with bonus tokens has succeeded in generating momentum behind a launch, game theory dictates that the competitive element between ICOs will increase exponentially as new funding records make headlines, casing an initial expansion of bonus offers, followed by a discarding of the mechanism in favour of a performance based one. This model will pivot around publishers, marketers, influencers and developers who will be paid commission in return for successfully promoting ICOs to their audiences, and is much more lucrative than selling inventory on a tenancy or CPM basis. Whilst estimates vary, Forbes figure of a €380M market size and growing rapidly is credible.
3. *Publishers, marketers, influencers and developers.* The aforementioned future drivers of the ICO market form the counter party to merchants and start-ups. They range from publicly traded multinationals (Catena Media, RakeTech), to niche publishers targeting a single specific sector (Medicalassistantsalaryguide.org). Regardless of scale, RefToken provides a solution for some of their most pressing issues:
  1. Discovering new brands to work with as well be being easily discovered by new brands
  2. Evaluating which partnership would be the most lucrative
  3. Easing payment, trust & cash flow concerns

This sector will be RefToken's evangelists, much as affiliates were the drivers for NetRefer and IncomeAccess' growth in the gambling market as they demand a neutral, third party platform to manage & report on their performance and revenues.

## Competition

### Current Alternatives

RefToken will be competing directly against two mainstays of the affiliate tracking market, IncomeAccess and NetRefer. Both carry the advantage of incumbency, yet suffer from the disadvantages listed below:

IncomeAccess:

- 24h delay in data updates
- Revenue uploaded to platform by merchant, allowing for potential skimming of commissions
- Monthly pay-out cycle
- Pay-outs processed by third parties for merchant
- Commission structures limited to very specific models

- Antiquated user interface (UI), with multi-year update cycle
- Poor reporting tools

### NetRefer

- 24h delay in data updates
- Revenue uploaded to platform by merchant, allowing potential skimming of commissions
- Monthly pay-out cycle
- Pay-outs processed by third parties for merchant
- Commission structures limited to very specific models
- Responsive UI, with annual updates
- Good reporting tools

### Our Advantages

- Instant data update
- Revenue updated by smart contract & therefore immutable
- Affiliates can withdraw at will
- Pay-outs triggered by affiliate and executed by the platform
- Commissions can be freely structured using smart contracts
- Rapid, iterative update cycles
- Deep data analysis tools & Google data studio integration.

## PESTLE analysis (GFS)

### Political

The Ethereum ecosystem benefits from a significant amount of insulation from political shock due to its decentralised nature. Whilst certain more hawkish regulatory regimes will invariably attempt to regulate or restrict it in some manner, there is no common consensus on how this can be achieved in practice. Regulatory attempts aside, the political clout offered by the EEA, as well as the rapid adoption of the Ethereum Platform by central banks and F500 companies further legitimises companies operating on the platform in regulators eyes. As such, no significant political threats are envisaged.

### Economical

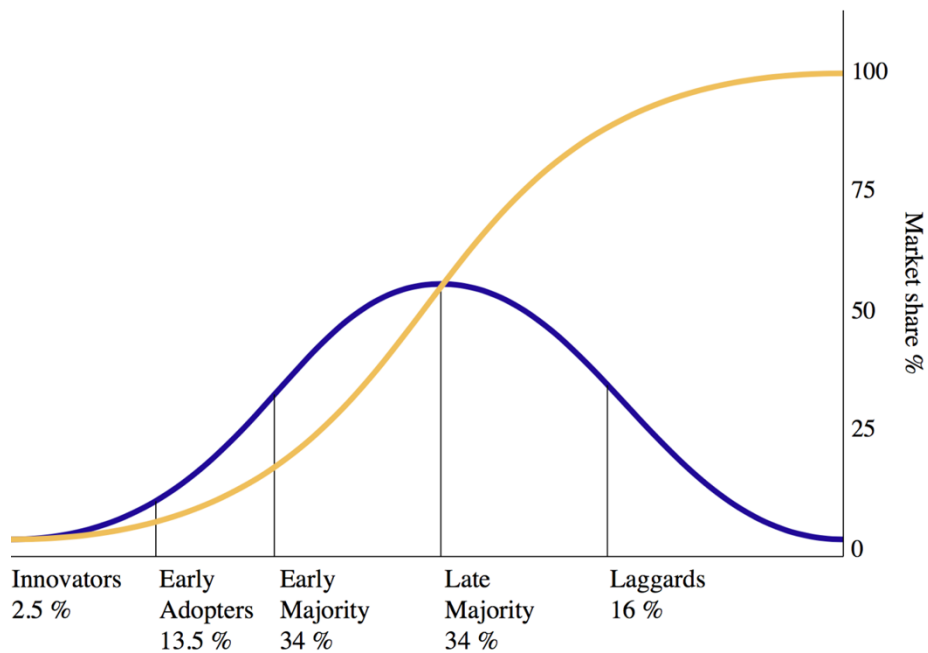
The Ethereum ecosystem is currently growing at a parabolic rate, with millions in investment being poured in daily, which, combined with the political and economic clout of the EEA, as well as the dedicated development community developing around the protocol has all observers declaring that Ethereum will grow to be the single, largest blockchain platform as enterprise

projects and start-ups default to Ethereum as their choice of platform. This can only convey the most bullish of outlooks for the project.

## Social/Cultural

As ever-increasing media coverage fuelled by Ethereum's explosive growth broadens the general public's familiarity and trust in the ecosystem, it will transition away from being the preserve of geeks and speculators, to a broader, more general consumer audience. The key catalyst for this will be the first blockbuster distributed applications (dapps), which will bring the benefits of the decentralised web, to the masses everyday life, just as SMTP brought email, and by extension, the internet to the masses.

Once the first major decentralised apps hit the mainstream, the market penetration rate will follow the theoretic Diffusion of innovation curve.





### Technological

As a nascent sector, there will undoubtedly be significant changes and improvements to the technological landscape RefToken will be inhabiting. Nonetheless, the levels of funding sought will ascertain that tier one development resources will be hired to leverage any new developments to our advantage.

From a macro-economic aspect, advances in the blockchain ecosystem will make client's products more accessible to the mainstream market to the point where dapp will be indistinguishable from a regular web based app by the end user. This is a bullish outlook for RefToken.

### Legal

The difficulty in mounting a regulatory challenge to a decentralised organisation aside, the political clout offered by the EEA, as well as the rapid adoption of the Ethereum Platform by central banks and F500 companies further legitimises companies operating on the platform in regulators eyes. As such, no significant legal threats are envisaged. Should a regulator pursue action against a particular participant, this would be on the basis of the transgressions of a single bad actor, and would not impact the rest of the participants in the space. RefToken's position as a middle-man between merchant and publisher further distances it from any potential legal action (much like affiliate platforms and affiliates were ignored by the Dept. of justice in the Black Friday indictments revolving around poker rooms offering illegal gambling to US citizens).

### Environmental

RefToken's decentralised architecture allows it to operate using a much smaller carbon footprint than a regular platform would.

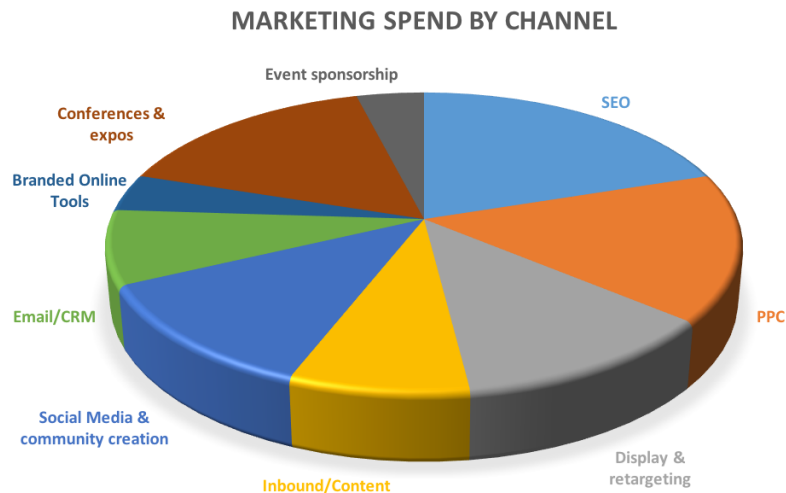
# Execution

## Marketing & Sales

### Marketing and Promotional Plan

RefToken will leverage the marketing knowledge of its founding team to deploy an integrated, multi-faceted acquisition campaign. This will be split between online and offline activities at an 80-20 ratio. The detailed apportionment will be as follows:

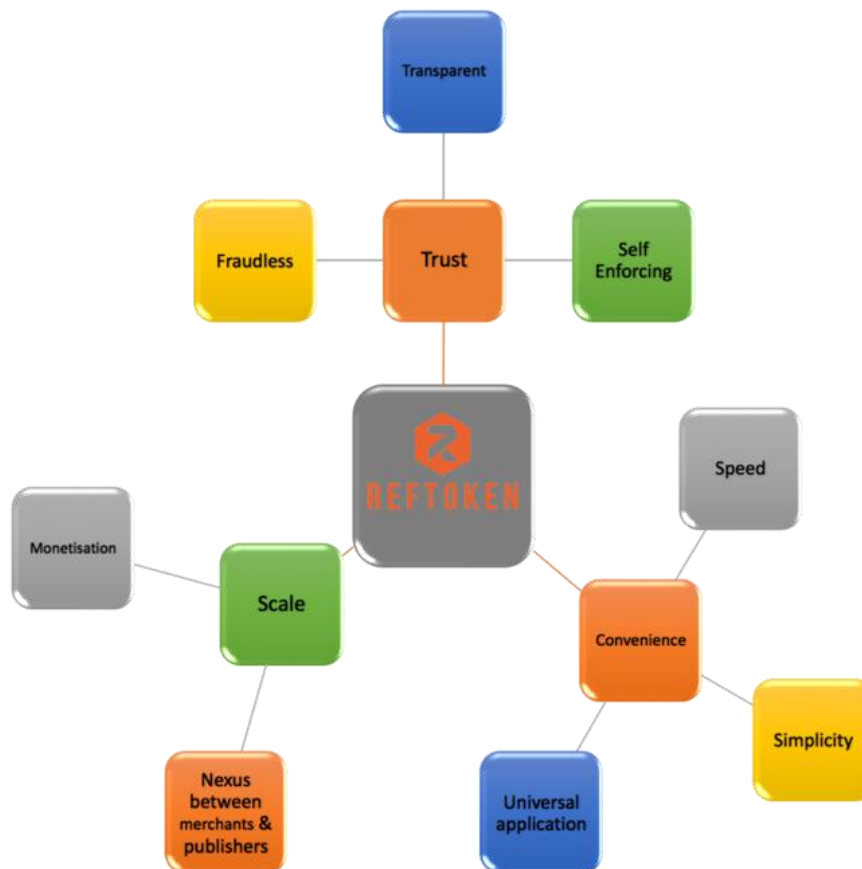
- Online Marketing 80%
  - SEO 20%
  - PPC 16%
  - Display & retargeting 12%
  - Inbound/content 8%
  - Social Media & community creation 12%
  - Email/ automated CRM 8%
  - Branded online tools 4%
- Offline Marketing 20%
  - Conferences & expos 16%
  - Event sponsorship 4%



## Medium to long term vision

Our marketing efforts will employ a bifurcated strategy, where affiliates and merchants will be targeted by communications and value propositions targeting their specific pain points, and will be structured around the following value propositions:

- Trust
  - Fraud less
  - Transparent Tracking
  - Self-Enforcing
- Convenience
  - Speed
  - Simplicity
  - Universal application
- Scale
  - Nexus between merchants & publishers
  - Monetisation of audiences



Affiliates will be given marginal more prominence in our efforts, as building a strong directory of affiliates segmented by niche would be a strong incentive for brands to adopt the RefToken platform in itself. Our proposition will be communicated via outreach specialists who target and on-board larger sites and the top 10% of influencers, as well as an inbound marketing strategy based on content creation and propagation by the exact users that we will be recruiting. This will allow RefToken to grow exponentially using its own platform, in effect being its own proof of concept.

Brands will be targeted with a value proposition that emphasises fraud prevention, speed, transparency as well as access to the directory of on-boarded affiliates. The primary communication channels will inbound content based marketing, as well as response based channels such as SEO and PPC. This inbound communication strategy will provide a pipeline of leads for the sales team to close, in addition to attending conferences and exhibitions and other lead creation activities.

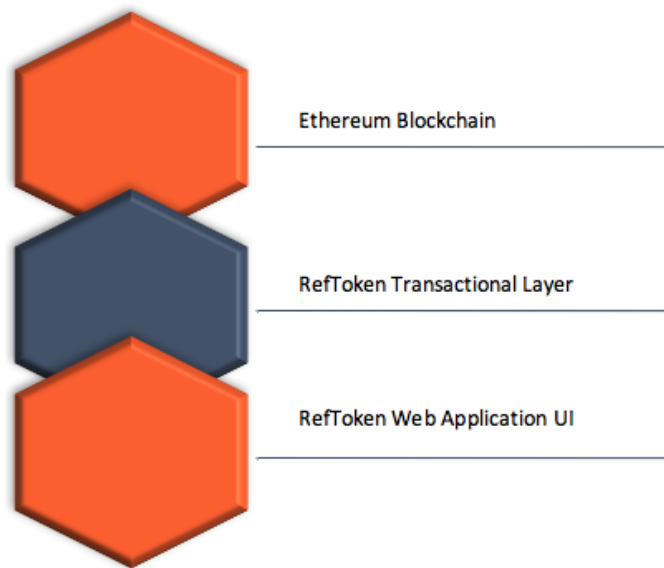
## Implementation

### Platform Model

The platform will launch with two primary layers, a merchant admin side, and an affiliate admin side. A third layer that will allow affiliates and brands to bid on and buy advertising directly on third party websites via a real-time bidding (RTB) and ad exchange will be released as part of the stretch goal (if achieved). Use of the platform will always be free, with the only charge being 5% of the commissions issued.

- *Merchant layer primary functions:*
  - Uploading of media (banners/text links/video ads etc.)
  - Creation of commission structures based on set triggers & sale amounts. These could be a straight up revenue share percentage, a cost per acquisition/registration/lead model or a hybrid of the above
  - Reporting platform on affiliate/creative/site level
  - Administration of affiliate program, vetting & signing up of new affiliates etc.
  - Administration of wallets and purchasing of tokens
  - Administration of a listing in a brand directory aimed at connecting brands with affiliates

- *Affiliate admin primary functions:*
  - Assessing, comparing & signing up to individual affiliate programmes
  - Affiliates will be able to link & access the various programs they are signed up to from a single master account, eliminating a large pain-point (similar to the Google AdWords MCC account structure)
  - Accessing creatives & generating tracking links
  - Administering of wallets and exchanging sub-tokens to tokens
  - Reporting on creative/site/brand/revenue levels
  - Administration of a listing in an affiliate directory aimed at connecting brands with affiliates



### Token Mechanism

- The token to be sold at launch will be known as the ReferralToken (REF). A fixed number of REFs will be issued thereby limiting supply. Fees will be charged to users of the platform as a percentage of commissions paid (however, should a brand be using the platform to track their own in-house marketing activities, and thereby setting a commission rate of 0%, use of the platform will be free, this will encourage adoption of the platform and assist in establishing a competitive moat). Since advertising inventory and other costs borne by publishers are set in fiat currencies, a commission sub-token called COM will be created that will be pegged at €1. This stable-coin model is required to insulate affiliates buying advertising inventory with fiat currencies from the fluctuations of the cryptocurrency in which the commission is denominated. Brands will need to use REFs to generate COMs.
- Example
  - A merchant buys €100,000 worth of REF Tokens
  - The merchant locks these tokens in an escrow wallet for a fixed time period and deploys a smart contract offering a reward in REFs for each conversion as specified in the smart contract that affiliates can subscribe to. The smart contract will self-terminate should funds run below the cost of a single conversion. This protects the merchant from overspending and, conversely, protects the affiliates from promoting a campaign that has exhausted its budget
  - On each completion of the smart contract's conditions (sale/conversion etc.) an amount of REF equivalent to the commission amount will be instantly paid out from the escrow account to the affiliate's wallet within the RefToken platform.
  - The merchant's original REF tokens are now held by the company and re-issued to the market where they are bought at market prices by other brands. This will allow the company to act as a market maker and protect the token's price from wild fluctuations in price

### Real World Applications

#### *Merchant Scenarios:*

- A mobile game publisher could create a commission structure offering €5 per new user account that is accessed 3 times within 5 days of registering and in which at least 10 turns are played. This set of criteria minimises the risk of fraudulent account creation, and also ensures that the publisher is only paying for engaged users.
- In another example, a Gnosis based sports book offers affiliates a €30 commission on any new player deposit that is wagered at least 4 times along with a 40% commission on net profits generated by that player.
- In a third example, a company planning its ICO would offer partners and publishing houses a bounty paid in its own currency for successfully referring contributors to it.

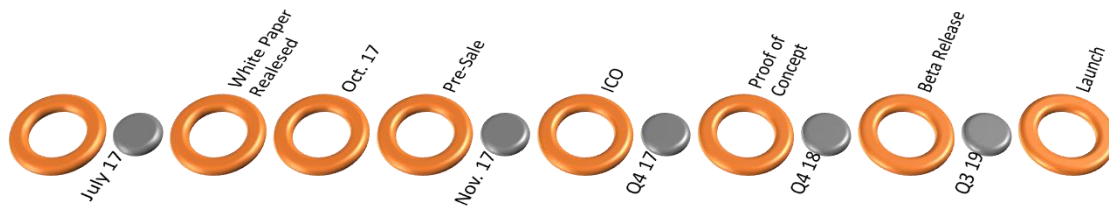
Affiliates would then have the option to hold onto the issued coin, or to exchange it for ETH or BTC and withdraw into their own wallets.

- WeTrust see that the borrowers begin to outweigh the savers, so they need more people investing and saving their money within WeTrust to keep up with the demand. They decide that they want to get started with affiliate marketing, so they turn to RefToken Affiliate platform and offer 5 COMs per new user account that deposited at least 10 worth of COMs for saving in TRST funds. Token conversion rates will be done via API.

*User Scenario:*

- Jen reads on steemit.io that investing in WeTrust is a great way to save money, the author of the article includes a RefToken affiliate link to WeTrust
- Once Jen clicks the link RefToken updates the WeTrust affiliate blockchain that a new lead was generated by that particular affiliate and drops her at the WeTrust registration page
- Once Jen completes her registration the WeTrust affiliate blockchain is updated, instantly triggering the smart contract between WeTrust and the affiliate transferring 5COMs to the affiliate's wallet
- The affiliate can immediately see that one of their readers just signed up for WeTrust via their admin in RefToken, that originated from their article on Steemit, and decides to double down on this channel. WeTrust can instantly see that the affiliate has delivered another valued user in a short span of time and considers offering them a bespoke offer to entice them to give their brand more attention

Thanks to RefToken's platform, it will be easy to design very complex conditions which leads will need to satisfy, thereby eliminating affiliate fraud, which is an endemic problem in today's affiliate marketing.



## Milestones & Metrics

### Roadmap

The following roadmap has been established and deemed to be attainable. The founding team's years of experience in this field make it confident in its ability to deliver on plan and within budget.

### KPIs & Success Measurement

Sales KPIs will be segmented into two general categories, business development and value enhancement which focuses on maximising the revenue from existing users.

#### *Business Development*

- Outbound sales activity volume
- Number of qualified leads generated
  - Lead conversion ratio
- Deals closed/Wins
- Opportunity win rate/Conversion rate
- Month on month growth rate
- Estimated pipeline value



### *Value Enhancement*

- Month on month user retention
- % of new clients per month/annum
- % of retained clients per month/annum
- Revenue growth per user
- Average transaction value

## Company

### Founders

#### *Jan Sammut:*

With 10 years of executive experience in the online gambling business on both operator and affiliate sides at industry heavyweights such as IGT plc, Amaya plc, and Highlight Media Group. Prior to entering the iGaming industry, he established his marketing and operational credentials as EMEA brand manager for Swatch & Oakley.

#### *Alexander Anter:*

With a keen interest in Web Development from a young age, Alex has been consistently pushed towards software development all his life. Starting out by picking a technical path in High School and getting his first taste of development with Basic and Visual Basic, later moving towards Python, C++ and Java. In 2011 Alex started to study Web Programming in Linneaus University in Sweden, in 2014 he started his own Web Agency working as a full stack web developer. In 2017 Ethereum started to reach a level of maturity and proper documentation started emerging that underscored that Solidity was heavily influenced from JavaScript Alex decided to dive into Ethereum Development and dedicate all his free time towards that goal, joining a group of Ethereum Devs to keeps progressing towards being a world-class Ethereum Developer.

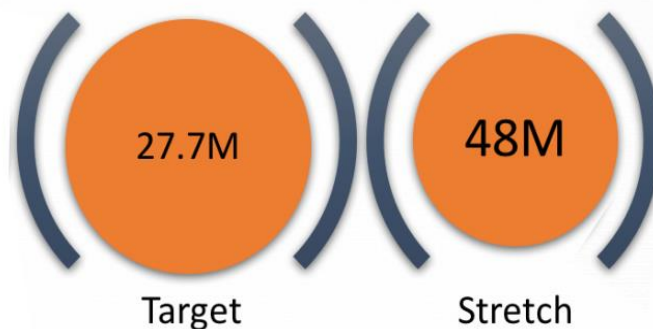
# Financial Plan

## ICO Launch

### Overview

RefToken aims to raise €27.5M denominated in ETH via an initial coin offering. Funds will be apportioned in the below approximate ratio. The target funding amount is €27.7M with a hard cap of €48M. Additional will be used to hire more developers to expedite development. The additional funding will also allow us to add in the following modules to the platform:

- Super affiliate/MLM management functionality.
- An inbuilt RTB display ad platform (similar to Google's AdSense) that will allow users to buy ad space on each other's sites without a middleman taking the lion's share of the revenue.
- Leader boards & competition module for merchants to incentivize affiliates to promote their brand.
- Commission splitting to allow affiliates to collaborate (e.g. Affiliate A creates great content, yet is not too adept at generating traffic, whilst Affiliates B is a great SEO & C has a significant social following. Affiliate A will be able to approach B & C to offer them a percentage of the commissions raised if they distribute his. This will be done trustlessly via a smart contract on the platform.
- A market where freelancers will be able to pick up copywriting, translation, design and video creation gigs in exchange for a share of commissions generated by that content.



## Budget Allocation



## Token Sale

During the presale and ICO, users will be able to send ETH to a launch address, thereby committing to buying REF tokens at the current price at the time the transaction is received (and as indicated on the RefToken ICO site).

A total of 50 million REF tokens will be created. The auction will be governed by a smart contract whose code will be open for public review.

- 2% of all tokens will be sold during the Pre-ICO
- 42% of all tokens will be sold during the ICO
- 30% of all tokens will be reserved for market making purposes for one year
- 20% of all tokens will be retained by the founders & employees
- 5% of all tokens will be retained by advisors
- 1% of all tokens will be reserved for seed contributors

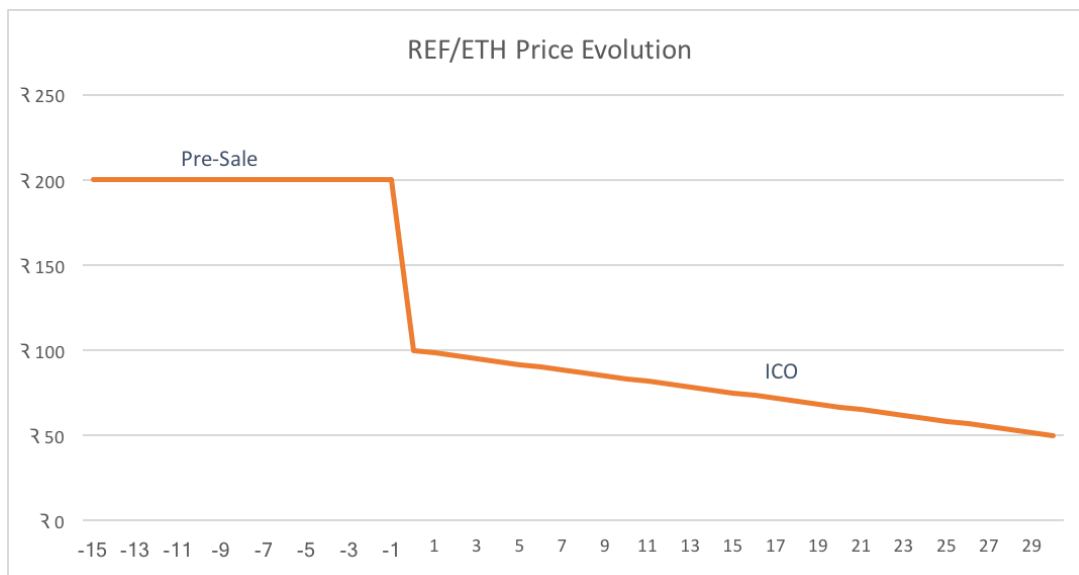
### *Pre-Sale*

RefToken will run a 15-day presale round capped at 4300 ETH starting at 00:00 GMT on the 2nd October 2017 and ending at 00:00 on the 17th October 2017. Pre-sale contributions will be awarded a 100% bonus on REF granting 200 REF per ETH donated. All presale tokens will be locked for a period of 90 days after the ICO has been finalised to safeguard participants token value.

### *ICO*

The public ICO will start at 00:00 GMT on the 18<sup>th</sup> October 2017 and end on the 17<sup>th</sup> December 2017. A daily price inflation rate of 1.67%, will be triggered on the 18<sup>th</sup> of November taking the token price from 100 to 50 REF/ETH after 30 days or until the hard cap is hit.

RefToken aims to level the playing field, and allow as broad a participation as possible. Ownership of REF carries no rights other than the right to exchange and claim over the platform or via exchanges. RefToken does not represent or confer any ownership right or stake, share or security or equivalent rights or intellectual property rights.



### Escrow of Funds

All funds raised during the ICO will be held in a 2 out of 3 multi-sig wallet that will include licenced fiduciary agents as two of the signatories. All funds raised in the presale will be made available immediately for the purpose of promoting the ICO. ICO funds will be released in three month tranches to cover expenses, with the flexibility to adjust amounts in response to current market conditions.

### Market Making

During the lock up period, the company will utilise its reserves to protect the token's market value to the best of its abilities, with a protective bottom targeted at ~20% off a compounded 5% week on week appreciation rate. The company will also protect prices from artificial 'pumps' by stabilising prices should malicious trading patterns be detected.

## Use of funds

**Platform development** will be the primary cost driver, including but not limited to:

- Development of a market ready product
- Integration of third party services
- Development of proprietary API
- Secure wallet creation
- Development of state channels
- Development of internal economic model

**Marketing & Business Development** will be a major area of focus, particularly, the establishing of agreements and integrations with exchanges, ICO consultancy companies and blockchain early adopters to win a first-movers advantage in the space. Prior evidence indicates that a substantial competitive moat is developed by the first mover in such a space, as merchants are reluctant to undergo the disruption and costs of migrating to competing services once an integration is in place (bar a significant breakdown in service quality).

**Advisors & Consultants** The leadership team at RefToken are cognisant of the fact that the blockchain space is new, and rapidly evolving and are determined to on-board the best and most brilliant advisors available to ensure that the project is a success right off the bat.