Decentralized Marketplace

DAO Governance

https://github.com/BlockchainPT/MXL

Market
Markt (Dutch)
Margadh (Irish)
Marché (French)
Mercato (Italian)
Mercado (Spanish)
Merkator (German)
Mercado (Portuguese)
Markkinoida (Finnish)

Executive Summary

Big centralized online marketplaces reduce the sellers and buyers ability to participate on a real open market.

As Bitcoin and other cryptocurrencies grow and become mainstream, it becomes clear that in the near future, online marketplaces will be completely decentralized, running as peer-to-peer services on the blockchain. It's not a easy task but we propose some solutions to this problem and we have a plan to turn MXL into a global marketplace.

Introduction

We are living the early ages of cryptocurrencies and blockchain technologies, much is done and proved, but still mostly is undone, as in early years of Internet, We are living the beginning of the Internet 3.0 or the Internet of Value. In this context it's the right time to redesign the global eCommerce marketplaces, bringing to b2c and c2c marketplaces those new decentralized technologies and payment systems.

The strong dependence between eBay and Paypal seems to be a big opportunity to introduce a disruptive technology, as Bitcoin and blockchain ledgers in the peer-to-peer eCommerce space. In the same way cryptocurrencies challenge Paypal's centralized payment service, so MXL is designed to be a decentralized alternative to eBay. Paypal allows trust on eBay's marketplace, by allowing buyers to have payment protection against fake sellers and seller scams. MXL's proposition is to create trust on Buyers using cryptocurrencies as DASH and others that support decentralized shared custody, this way we create an opportunity for the people to operate as independent escrow agents, giving a full commission to the independent escrow agent for their service of creating trust on MXL marketplace.
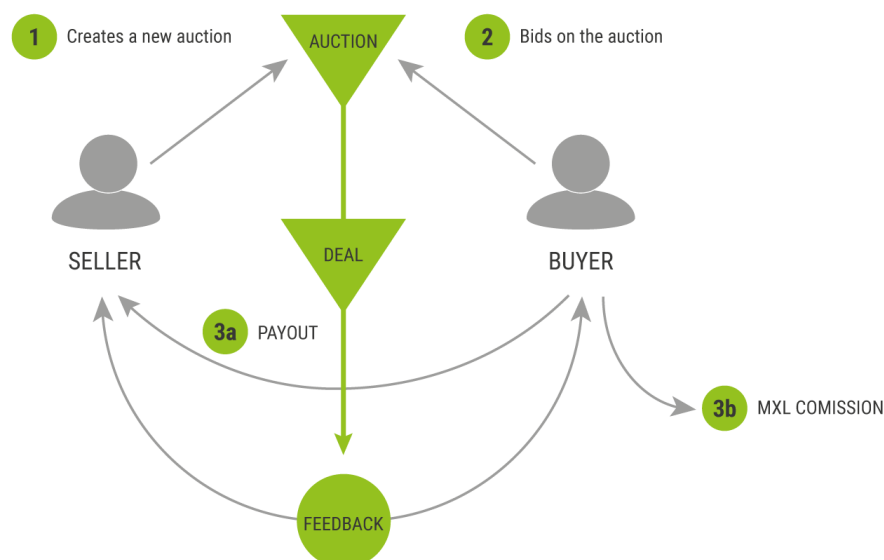
The auction as a price discovery mechanism. When you don't know the price of an item auctions can get an important role to help the seller maximize the value of the deal. Bidders compete between them to help determine the item value. This mechanism always fascinated Carlos Afonso in the early days of online auctions. Let's say you find a collectible, like an old coin, or you want to sell part of your collection. Now you have two problems, where to sell it, and for how much. Online auction marketplaces can help you find the buyer and the best price for your collectible. You can also use it to sell used products, giving a second opportunity to objects you don't use. Those objects can have precious value to others and can help extend the life cycle of some products and improve the sustainability of our planet.

Governance Model

MXL will introduce a DAO (Decentralized Autonomous Organization) in the way token owners will be able to make proposals and vote on those proposals, to ensure that MXL community can solve future problems, and choose to implement new features allowing for adaptations and future proof marketplace like the integration of new cryptocurrencies, changes in the template design, price adjustments and so on.

MXL is an open source project, this will ensure future improvements and that the costs of the marketplace will be as low as possible, so that no one will be able to create a lower cost clone of MXL.

Market Decentralized Operations

The dapp (Decentralized Application) will be accessed via a simple web browser. The DAPI (Decentralized Application Protocol Interfaces) will be created to allow future mobile apps on Android, iOS and even Windows. Domain names to access the MXL marketplace will use public centralized DNS services, as well as complete decentralized Domain Services like ENS (Ethereum Name Services) and others that can guarantee continue access to MXL marketplace, no matter what happens on DNS centralized services.

Product listing will be created by users, the data and images of those auctions and fixed sale prices will be record on EOS blockchain.

Buyer's payment protection will be paid by the buyer as an insurance and can be optional when the seller has a very good feedback rating on the MXL marketplace. When the feedback is 99,9% positive and a good amount of business was made, the trust on the seller is created by the seller feedback, so Buyer's protection can be optional. The buyer decides if he wants to pay or not for the extra protection, but for new sellers it's an important safety rule, the buyers must always use escrow services. Resuming MXL marketplace will have integrated trust for all users.

MXL's selling commissions will be radically reduced as compared to centralized marketplaces because the operation costs will be also very low. The MXL marketplace will use EOS blockchain to run the business logic, auctions processing for example, so we can save money on dedicated servers and traditional data centers, system administration and so on.

Selling Commissions, Sellers vs. Buyers

Today on eBay and any major marketplace, as you can guess, the buyers always pay the selling commissions one way or the other. The product price is increased by the seller to accommodate the selling commissions, sometimes with increased costs like handling and delivery costs. So to us it seems logical to increase transparency, to ask the buyer to pay for this commission directly. The cryptocurrencies allow this in one unique payment operation, approving two transfers, one to the seller, to pay the product and delivery costs, and other to MXL to support the marketplace operational costs. The trust element of the payment is granted by independent escrow agents that will receive part of the selling commission.

MXL Marketplace Limits

To avoid spam from the sellers in the marketplace, each seller will only be able post 1 auction every 5 minutes or so. Sellers will also pay a listing fee, because the item listing on the marketplace will create data costs on a blockchain like EOS. So, to avoid SPAM, like for example, having sellers posting multiple times the same product, it's important to have a listing fee. This fee will be paid with the new MXL Token, if the seller doesn't have this token, he can buy them on the exchanges.

What differentiates MXL from other available platforms?

OpenBazzar works as torrents do, using p2p specialized client, not allowing public access to the marketplace from a standard web browser, isn't easy to create mobile apps and other features you will find on modern web applications. When the seller closes his application, the buyers can lose access to his listing products.

BitBay is trying to store all users and auctions data on the blockchain, which is a problem by itself, this will push the blockchain technology to the limit really soon. I do believe that in 5 years blockchain scalability can solve this problem, but in a short term, BitBay will have performance issues that will leave sellers and buyers unhappy, and help eBay keep his leadership. It is also required a specialized client to access BitBay marketplace, that replicate the blockchain to every client.

Both works like a classifieds applications, not as an auction marketplace, so they can never replace eBay function and share its market and revenues.

MXL will use the concept you can see on Steemit. It creates a web based decentralized app, and technologies that prove to work on standard web browsers. This being a major advantage over

marketplaces, that require users to download special software to run. Sellers may be ok with this special client, buyers will never be happy with this.

About the Auctions Marketplace Value Globally

Taking some numbers from eBay public's reports from 2015 and some data from 2016, I leave you with some impressive numbers.

167,000,000	Users
25,000,000	Sellers
1,000,000,000	Record live listing at one time
$82,000,000,000	Amount of gross merchandise volume sold in 2015
1,000,000,000	Number of items listed at one time
250,000,000	Number of daily searches
56%	Percentage of revenue that comes from outside the US
81%	Percentage of goods that are new
19,000	Deals available per day
150 minutes	Monthly time spent per user on the app
7,000,000	Number of times close5 app has been downloaded
$700,000,000	Amount of revenue generated in 2015 in classified services
150	Average monthly minutes spend per user on eBay app
$0.80	Women sellers earn an average of 80 cents on every dollar that men earns
43%	Closed sales from mobile
$2,200,000,000	Q3 2016 revenue
17	Markets
25	Countries with eBay website
20%	Percentage of International Sales
11,600	Employees
42%	Percentage of female employees
28%	Percentage of women leadership
Every 6 seconds	A woman's handbag sells on eBay
Every 2 seconds	A pair of shoes sells on eBay
$168,000,000	Most expensive item ever sold
$33,000,000,000	2015 mobile commerce
10,000,000	Average of mobile listings weekly
250,000,000	Classifieds users
8	Number of languages available in the app
1,400,000,000	Number of listings created via a mobile device

MXL OPEN SOURCE PLAN

We will test EOS technology to start decentralizing the marketplace logic, we will create a web app running on top of a EOS blockchain, or others that deliver the performance and scalability we need to run the world's biggest online marketplace.

We like to integrate our Affiliate Program with Steem blockchain, rewarding the bloggers that referral to MXL marketplace, by up voting their posts on Steemit.

Mobile apps will be also developed to Android, iOS and maybe Windows if the budget allows it.

Redesigning the wheel

MXL will not create a new blockchain, because with all the development in Blockchain technologies, it's not necessary to reinvent the wheel, we believe either EOS, can run MXL, we will use the best of existing technologies to build on top of it.

We are going to create the MXL Token on EOS.

MXL Token use ideas

(Guide only, DAO members can change those ideas or values)

MXL token is an EOS token created to be used to pay for some services on MXL marketplace. This Token has a variable supply.

After the failed Pre-Sale of MXL in early 2018, the original team members, will receive a symbolic amount of the new token, this will kick-of the DAO mechanism's and help build a community. Each member will get 999 tokens.

Sellers will need MXL token to pay for listing fees, and also optional featured auctions, and special ads on the marketplace. This will generate demand for this token from big sellers.

To incentivize the emission of feedbacks to sellers, we want to use part of the listing fee tokens to reward the buyers that exercise their right to evaluate the deals and the sellers.

New Tokens will be created as needed and approved by DAO members, for developer rewards, marketing rewards and so on. Members will do proposals and those approved proposals will generate new tokens. Any new proposal can only generate at maximum 10% of the total token supply, to limit the exponential grow of all tokens.

Token holders will gain the right to 1% of all deals, paid in EOS, MXL Token or other tokens or cryptocurrencies supported by EOS.

Tokens used to pay for listing fees could partially be burned, to reduce the total supply over time.

MXL smart-contract will allow users to buy new tokens in exchange for EOS tokens, this exchange rate should be managed by the DAO members, voting regularly for rate changes.

Some real world good, like water price, or other basic good price can help the community to regular vote and change the Listing fee price, the objective is to keep the listing fee competitive with centralized solutions like eBay.