



AffiliateCoin





AffiliateCoin  
White Paper

# AffiliateCoin White Paper

A decentralised affiliate network that uses Smart Contracts to create secure, indisputable transactions on the Blockchain.

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## Overview

AffiliateCoin is a decentralised affiliate network that uses Smart Contracts to create secure, indisputable transactions on the Blockchain.

The global spend on Affiliate Marketing is in excess of \$10 billion USD with the US accounting for more than \$5 billion USD alone<sup>1</sup>. Despite digital Affiliate Marketing having been around for over 25 years it has some fundamental flaws including fraud, mistrust, high transaction fees, delayed payments and limited Pay Per Action capability.

Despite these shortfalls, Affiliate Marketing is used by over 80% of brands<sup>2</sup> and is one of the most profitable forms of online advertising with ROI in the UK amounting to £15 for every £1 spent<sup>3</sup>. Affiliate Marketing now drives the same amount of online orders as email marketing (over 16%). Comparatively, paid search drives 20% of online orders and organic search accounts for 21%, but it is Affiliate Marketing that continues to grow year on year.<sup>4</sup>

With the use of Smart Contracts and Blockchain technology we can overcome these problems and unlock the potential of Affiliate Marketing. With all offers, promotions, interactions, and relationships stored on the public ledger of the Blockchain, when targeted actions are verified (such as a sale being made) the Smart Contract is fulfilled and the Publisher receives their reward.

AffiliateCoin is going to cause a much needed shakeup in the world of Affiliate Marketing.

### Changing Affiliate Marketing for the Better

AffiliateCoin gives Publishers the opportunity to receive a higher revenue percentage than has been traditionally possible using standard centralised Affiliate Marketing networks. We have removed the high barriers to entry that prevented small businesses from using Affiliate Marketing and by using Smart Contracts we can create bespoke Pay Per Action models. This will allow businesses to target specific events, not just the traditional Pay Per Click or Pay Per Sale models.

Affiliate Marketing is a driver for growth in a wide range of online activities. The primary markets are E-commerce (particularly Fashion, Sports and Health)<sup>5</sup>, finance and online gambling.

### Existing Affiliate Networks

Affiliate networks monetise the process of connecting Merchants with Publishers and have been around for many years. They work by connecting Merchants, who are companies offering a product

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1 <http://marketing.rakuten.com/independent-survey-commissioned-by-rakuten-affiliate-network-2016>

2 <http://marketing.rakuten.com/independent-survey-commissioned-by-rakuten-affiliate-network-2016>

3 <https://www.iabuk.net/disciplines/affiliate-marketing/resources>

4 <https://preview.tinyurl.com/ybxwjoe3>

5 <https://www.amnavigator.com/blog/2015/09/25/analysis-of-best-affiliate-programs-top-20-niches>







or service, with Publishers, whose goal it is to promote them. Common platforms used for promotion include blogs, review websites, offer/Voucher Code websites, forums and increasingly social media<sup>6</sup>.

### -Existing Revenue Generation Models

- Pay Per Click – This is the traditional method of revenue generation for Publishers. Each time a user clicks on the Publisher's affiliate URL, the user is taken to the Merchant website and the Publisher receives a small monetary reward. Usage of this method is steadily declining because it is prone to fraud, spam bots, click bait and other dubious methods. Merchants also receive a high bounce rate with this method<sup>7</sup> because Publishers are not interested in the conversion of the customer beyond the initial click.
- Pay Per Sale – This is a slightly more advanced method involving an actual conversion before payment is made. As with Pay Per Click, the end user must click through to the Merchant, but a proof of sale is required before the Publisher receives their reward.
- Pay Per Action – Made possible by Smart Contracts and Blockchain technology, this new method ensures the Merchant only pays the Publisher when some predetermined end user action has been fulfilled. For example, this could be registering an account, sharing a number of posts on social media, submitting product reviews, or even clicking a link as in the Pay Per Click model. Actions can be as simple or as complex as required because they are described using programming code.

### Problems and Solution

Current affiliate networks face several fundamental flaws present in existing Affiliate Marketing models. With these problems having been around since the 1990s the industry has spent a great deal of time and money trying to overcome them, but to date there has been no good solution. In 2016 alone Merchants lost \$7.2 billion USD to digital ad fraud,<sup>8</sup> and with click fraud growing by 50% year on year,<sup>9</sup> the problem is unlikely to get smaller with existing systems. The solution presented by AffiliateCoin will eliminate fraud and save billions.

### -Problems

- Fraud – Bots, spam programs and dubious Publishers trying to defraud Merchants by click spamming and other techniques.
- Trust – A Publisher must trust that after directing a user to a Merchant's website that a successful sale (or similar action) will result in them receiving a payment. The industry is ripe with Merchant/

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6 <http://mediakix.com/2017/07/Publishers-marketing-social-media-influencers-buzzfeed-cosmopolitan-new-york-times>

7 <https://blog.kissmetrics.com/bounce-rate>

8 <https://ppcprotect.com/ad-fraud-statistics>

9 <https://ppcprotect.com/ad-fraud-statistics>







Publisher mistrust with over 22% of actions being registered as fake.<sup>10</sup>

- Sign-up fees – for both Merchants and Publishers. These can run into tens of thousands of dollars and often also involve a recurring monthly fee. This high barrier to entry has pushed many small and medium businesses away from Affiliate Marketing.
- Late/disputed payments – Most affiliate networks have issues with Merchants not paying or disputing sales.
- Broken offers and Voucher Codes – It is estimated that up to 80% of Voucher Codes found on the internet do not work. This is frustrating and time consuming issue for users.
- Unique codes – Unique codes given to Publishers are often harvested by other Publishers and reused to claim commission.
- Poor matches – Publishers select Merchants that may not be a good fit for the Merchant or the Publisher.



<sup>10</sup> <https://ppcprotect.com/ad-fraud-statistics>





### -Solution

- Fraud – Using Blockchain technology and Smart Contracts we can drastically reduce this, if not effectively eliminate it completely.
- Trust – This problem is absolved by the use of Blockchain technology and Smart Contracts. A successful task completion triggers execution of the Smart Contract and releases funds to the Publisher without the need for a middle man.
- Sign-up fees – AffiliateCoin will have no sign-up fees and no monthly subscription fee. This will lower the barrier to entry and allow many more Merchants and Publishers to utilise Affiliate Marketing.
- Late/disputed payments – The use of Smart Contracts will eliminate this problem because payments will be automated and every transaction stored indisputably on the public ledger of the Blockchain.
- Broken offers and Voucher Codes – Using Smart Contracts we can ensure that the discount codes are active, and only grant commission to the authorised users as defined in the Blockchain.
- Unique codes – Unique discount codes given to Publishers are stored on the Blockchain and verified as part of the Smart Contract. This means the reward can only be issued to the intended Publisher.
- Smart matches – Using machine learning we are able to generate fantastic recommendations for both Publishers and Merchants. This will create better relationships and drive higher ROI.

## Key Business Objectives

### 1. Create an affiliate network that supports the advanced Pay Per Action model

Our highest priority is to offer Merchants and Publishers complete confidence in Affiliate Marketing schemes. By creating an environment in which trust is not required, Merchants will rest in the knowledge that they only pay for the completion of clearly defined end user tasks, and Publishers will rest knowing they will be paid for their efforts.

### 2. Eliminate fraudulent Affiliate Marketing activity

The industry is plagued with issues around trust, disputes and fraud. By using Smart Contracts on the Blockchain and moving away from the Pay Per Click model this will be effectively eliminated, creating better relationships between Merchants and Publishers. This relationship is critical as in most affiliate programs less than 10% of affiliates drive 90% of traffic and conversions<sup>11</sup>.

### 3. Remove the high barriers to entry for small businesses

Running Affiliate Marketing campaigns for small businesses is often not financially viable because

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11 <http://www.amnavigator.com/blog/2015/12/02/infographic-affiliate-activation>





entry fees and monthly subscription costs are unreasonably high. Small businesses are forced to find alternative marketing strategies, but this need not be the case. The AffiliateCoin platform will be able to assist small businesses in achieving their marketing goals by significantly lowering the barrier to entry.

#### **4. Increase network wide ROI by intelligently pairing Merchants with Publishers**

By building a self-learning AI capable of providing recommendations, we aim to increase ROI for all customers on the network. Pairing Merchants with Publishers and achieving consistently high success rates is difficult, especially when left to humans. However, with such vast amounts of historical data we can analyse trends to determine what works and what does not. By using modern machine learning techniques we can provide recommendations to Merchants and Publishers, resulting in higher rates of successfully completed end user tasks, ultimately generating more revenue all round.

#### **5. Decrease end user frustration by purging inactive Voucher Codes**

Many Voucher Codes on the web are inactive and do not work, either because they have expired or were never activated. An invalid Voucher Code is a source of immense frustration for the end user and has a negative impact on their E-commerce experience. Using our plugins for 3rd party platforms, Merchants can import their Voucher Codes directly into the AffiliateCoin dashboard and have them stored on the Blockchain, ready for distribution to Publishers. Should a Voucher Code expire or be altered this will invalidate the Smart Contract, be removed from the platform and the feeds across the network updated. As a result there will be no invalid Voucher Codes anywhere within our network.

#### **6. Support exclusive offers and Voucher Codes**

Current systems make it impossible to assign Voucher Codes to a Publisher exclusively. This is often attempted but breaks down because the Voucher Code is essentially public information and can be used by other Publishers. With Smart Contracts and Blockchain technology we can ensure the correct Publisher receives the reward even when exclusive Voucher Codes are used.

#### **7. Utilise Affiliate Marketing in new and emerging technology**

With a steady increase in people accessing the internet through smart devices, wearables, virtual/augmented reality and the IoT, there is a gap in the market for Affiliate Marketing that we will look to occupy. Our goal is to stay one step ahead of the industry and offer unique ways to use Affiliate Marketing with emerging technologies and sectors.





# Market

## The Global Market

The market is split into three sections:

### Merchants

These are the companies that have a product or service to sell. In 2016 the retail market generated \$22.049 trillion USD in sales<sup>12</sup> and is increasing year on year. Using AffiliateCoin Merchants will be able to market goods and services through a network of Publishers.

### Publishers

These are individuals and businesses that promote products and services. AffiliateCoin will use artificial intelligence techniques to match Publishers with Merchants.

### End users/customers

These are the people generating revenue by purchasing products and services from Merchants.

## Competition

It is currently understood that our only direct competition is that of traditional affiliate networks such as Affiliate Window, Commission Junction and Tradedoubler. These are a few of the market leaders and all suffer from the same issues:

- Delayed payouts for the Publishers; more than 90 days in some cases
- 48 hour delays in click/sale reporting resulting in decreased trust
- High barriers to entry and monthly subscription fees
- No matching or recommendations of Publishers to Merchants
- Hidden or nonexistent transaction proof leading to mistrust

## Digital Trends

With the digital advertising market expanding year on year marketing departments are focusing their resources on digital media over more conventional sources.<sup>13</sup>

Whilst there are many outlets for marketers to use such Pay Per Click and Social Media advertising, Affiliate Marketing offers excellent return on investment. Affiliate Marketing ROI in the UK amounts to

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12 <https://www.emarketer.com/Article/Worldwide-Retail-Ecommerce-Sales-Will-Reach-1915-Trillion-This-Year/1014369>

13 <https://www.statista.com/statistics/272316/advertising-spending-share-in-the-us-by-media>



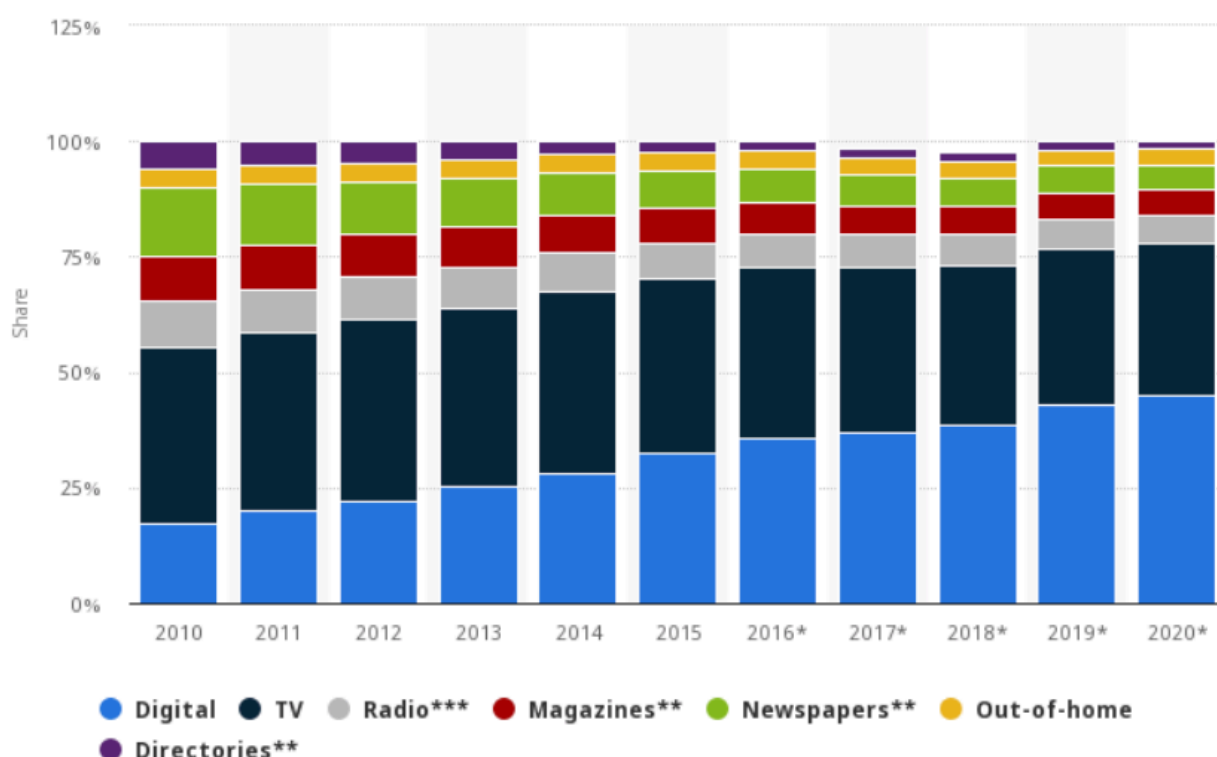


# AffiliateCoin

## White Paper

£15 per every £1 spent<sup>14</sup> and that is based on the existing industry models with the various fees (see the Revenue Model for more information on these fees below) amounting to over 50% of the spend. With AffiliateCoin only taking 2%, the ROI for Merchants could be as much as £20 for every £1 spent.

According to Google Trends, between September 2016 and September 2017 search interest in the term "Affiliate Marketing" rose by 30%<sup>15</sup>. As online shopping becomes more popular and brick and mortar stores decline, Affiliate Marketing will become more important than ever making this the perfect time to offer Merchants, customers and users a new and better experience.



## Revenue Model

The fees in traditional centralised Affiliate Marketing platforms can be as high as 52% when all the fees are added together. This puts considerable pressure on Merchants' already stretched marketing budgets. As a result this creates smaller discounts and promotional offers on products and services, and in turn, smaller commission payments for Publishers. We can reduce these extra payments by 50% creating better deals for the Merchant, the Publisher and ultimately the end user.

We have no sign up fee for both Publishers and Merchants, and charge a flat 2% commission on the AffiliateCoin used in the platform.

In order to create a new advertising opportunity a Merchant must first purchase an amount of

<sup>14</sup> <https://www.iabuk.net/disciplines/affiliate-marketing/resources>

<sup>15</sup> <https://trends.google.com/trends/explore?q=affiliate%20marketing>



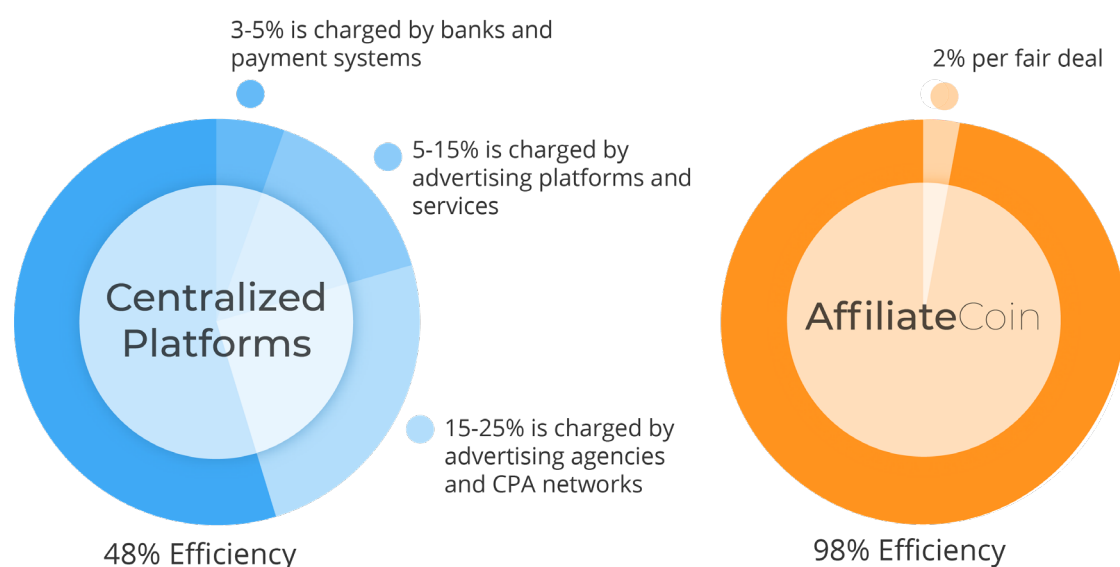


AffiliateCoin currency. This can then be used to purchase products and services within the platform, and to buy space on the Blockchain securing the advertising opportunity, where it will be made an indisputable matter of public record.

When the end user completes a predefined action (such as a sale) the Publisher that generated the traffic is rewarded in AffiliateCoin immediately.

Publishers are increasingly looking to Affiliate Marketing as a means of income falling print sales. As much as 20% Of Publishers' annual revenue is now generated through Affiliate Marketing<sup>16</sup> but with the emergence of AffiliateCoin this percentage could be much greater.

## Centralized platforms vs AffiliateCoin



### Takeaway

Without brokers, the AffiliateCoin Platform shows double higher efficiency, saving over £120bln a year

## Smart Contracts

Smart Contracts are self-executing contracts with the terms of the agreement between buyer and seller written into lines of code. The code and the agreements contained therein exist across a distributed, decentralized Blockchain network. Smart Contracts permit trusted transactions and agreements to be carried out among disparate, anonymous parties without the need for a central authority, legal system, or external enforcement mechanism. They render transactions traceable, transparent, and irreversible.

All transactions on the AffiliateCoin network will be part of a Smart Contract. This is one of the key principles of the network and will create a transparent mechanism for both Merchants and Publishers, resulting in a trustless system. For the first time in the world of Affiliate Marketing both Merchants and Publishers will have complete trust in the transactions whilst simultaneously eliminating many of the fraudulent practices such as click fraud. This is especially important with newer technology such

16 <https://www.inc.com/drew-hendricks/the-top-7-affiliate-marketing-companies-in-2017.html>







as smartphones, with click based fraud increasing by 102% from January to April 2017<sup>17</sup>

## Token Mechanism

AffiliateCoin is an ERC20 digital token in the Ethereum ecosystem compatible with the Ethereum wallet and with any other contract that uses the same standard.

### Security

Formal verification which uses mathematical proof to detect whether our smart contracts have executed correctly and without errors. Thanks to Ethereum Blockchain we have a decentralized and distributed digital ledger that is used to record transactions across many computers so that the record cannot be altered retroactively without the alteration of all subsequent blocks and the collusion of the network.

### Subchains

The AffiliateCoin network will use a subchain mechanism called Plasma<sup>18</sup> that allows tokens from one Blockchain to be securely used within a completely separate Blockchain but still be moved back to the original chain if necessary. The use of subchains will dramatically reduce the cost of our network transaction fees and the overall cost of running the platform. This is one of the main reasons we are able to operate this platform with just a 2 % commission on the transactions.

Each Merchant when created will spawn a separate subchain and keep the transactions, deals and offers within that subchain. As a result are able to isolate each Merchants transactions to an individual subchain.

### Scalability

The AffiliateCoin network will have its own shard and its own transaction history. The effect of this will improve the number of transactions per second exponentially. This also will also increase our scalability as AffiliateCoin will be able to connect with other shards and subchains on other networks.

### AffiliateCoin Wallets

From the AffiliateCoin mobile and web application users can manage funds and transactions in a safe and secure manner. We are actively encouraging investors of all sizes and by removing the high entry barriers to our platform we are looking to attract investment from smaller Merchants as

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<sup>17</sup> <https://ppcprotect.com/ad-fraud-statistics>

<sup>18</sup> <http://plasma.io/plasma.pdf>







well as developers and conventional investors. Therefore, we are not enforcing a minimum deposit contribution. Some currencies do have a minimum amount for deposits, however, and this amount will be stated on the deposit page under each currency deposit address.

If less than the minimum is sent by mistake, you can simply send more until the balance of the deposit address is above the required minimum. Furthermore, you can use a block explorer to track the address balance, simply search for your deposit address on the block explorer to check exactly how much you already have at your deposit address and how much you still need to send.

Please consider the network fee when making the transaction. For example, 0.5 ETH may become 0.499 ETH after the network fee is applied. If the minimum limit is 0.5 ETH, then 0.499 ETH will not credit your AffiliateCoin account until more ETH is sent. This applies to all coins with a minimum deposit limit. Once the deposit address is funded with the required minimum balance the whole amount will be automatically credited to the users AffiliateCoin account.

## Participation

To take part in the token sale, you need to be whitelisted. This can be done on our website by registering your interest. Our whitelist has a limited number of spaces and registration will be closed once we have achieved the preset number of registrations. The obtained utility tokens will then be visible immediately once the transaction has been confirmed.

## Transaction Confirmation Time

Assuming that the fee is sufficient and the network is not overloaded (which sometimes happens during large ICOs), transactions are confirmed within one minute. At the time of writing the average block time is 24 seconds<sup>19</sup>.

## Pricing Mechanism

The AffiliateCoin token price will be determined with the Price increases concept. The ICO runs in 3 stages where AffiliateCoin will set a fixed exchange rate for the tokens. The rate will increase incrementally at the launch of each of the phases. This way early investors who take the biggest risk get the best price per coin ratio. Potential backers and investors will send Bitcoin, Ethereum or other supported crypto currency to an address that we specify and receive tokens in return.

## Regulation, Legislation and Taxation

AffiliateCoin will operate globally however we are based and registered in the United Kingdom. As such we are bound by all of the UK's regulatory bodies and subject to their taxation system. At the time of writing this white paper we have plans to be based in the UK indefinitely, this may be subject to change due to new regulations or legislation that has a significant adverse effect on our operations.

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<sup>19</sup> <https://ethstats.net>





### Buyback Program

AffiliateCoin has a token buyback provision that will enable AffiliateCoin to purchase open-market tokens in the event that their market value falls below their net asset value. We can choose to buy up tokens that are in circulation, and “burn” (destroy) the bought tokens by Smart Contract. This increases the value of the token as there is less supply. This can be done continuously, or as a one time action to boost / correct token value.

### Fund Security

All funds generated during the token sale will be stored in a multi-signature wallet. These funds will be made available immediately after each round of the ICO for the marketing and development of the AffiliateCoin platform.

#### -Treatment of Excess Funding

This project has many features and a long roadmap with several phases of development. The exact components that will make it into version 1.0 are still to be finalised however the reservation sale will not cover the full cost of development of all the features listed in this white paper. These additional features will be released after the platform has launched and deployed as part of a series of updates. Should we generate additional funds above the soft cap threshold these will be used to accelerate the development of those features.

#### -Lockup Period

Any tokens issued to Directors, Company Employees, Partners and Advisors prior to the public sale will be frozen for 6 months, with a further gradual defrosting of 10% per quarter of the original quantity.

## Technology Used In the AffiliateCoin Platform

AffiliateCoin is a decentralised affiliate network that is determined to eradicate the problem of the existing centralised Affiliate Marketing networks. This is only possible because of Blockchain technology but also due to advances in some other areas, including machine learning, WebAssembly, IoT and wearable technology.





### Machine Learning

Using the latest machine learning techniques we are able to build a neural network based on the activity of our Merchants and Publishers. Over time this will be able to recommend the most optimal adverts for a Merchant to produce and the most appropriate Merchants for a Publisher. This will begin to create new relationships based on user activity across the network and recommend connections that would have been hitherto unimagined.

### WebAssembly

WebAssembly (wasm, WA) is a web standard that defines a binary format and a corresponding assembly-like text format for executable code in web pages. It is meant to enable executing code nearly as fast as running native machine code.<sup>20</sup> WebAssembly will be used to execute some of the more advanced Pay Per Action actions.

### User Interface

The user interface for this project is critical to its success. Affiliate Marketing can be quite complicated and with 78% of CMOs admit Affiliate Marketing to be their least mastered area of digital marketing<sup>21</sup>. It is therefore critical that the user interface and user experience is as seamless and straightforward as possible.

The existing Affiliate Marketing dashboards are very dated, hard to navigate and full of user experience and accessibility problems. This is one of our key requirements for the platform and will be critical to the project's success. To this end we will be working with a highly rated UX Team who will be providing a dashboard and user journey that is truly exceptional and intuitive to use.

By creating an environment that is both functional and simple to use it will ensure we give the Merchants and the Publishers an environment for them to fulfill all of their Affiliate Marketing needs.

### Smartphone Location Based Affiliate Marketing

With nearly 3 billion smartphones estimated to be in circulation by 2020,<sup>22</sup> Affiliate Marketing is revolutionising shopping experiences and rewards systems.

Having the exact Longitude and Latitude of the user you are targeting is critical for location based marketing and with the smartphone market still growing even more users become targetable. With more than 30% of affiliate-generated sales originate from a mobile device<sup>23</sup> its clear to see that this a critical market for our platform. With AffiliateCoin Publishers will be able to target users at a particular

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20 <http://webassembly.org>

21 <http://www.amnavigator.com/blog/2016/02/10/affiliate-marketing-cmo-least-mastered-digital-skill>

22 <https://www.statista.com/statistics/330695/number-of-smartphone-users-worldwide>

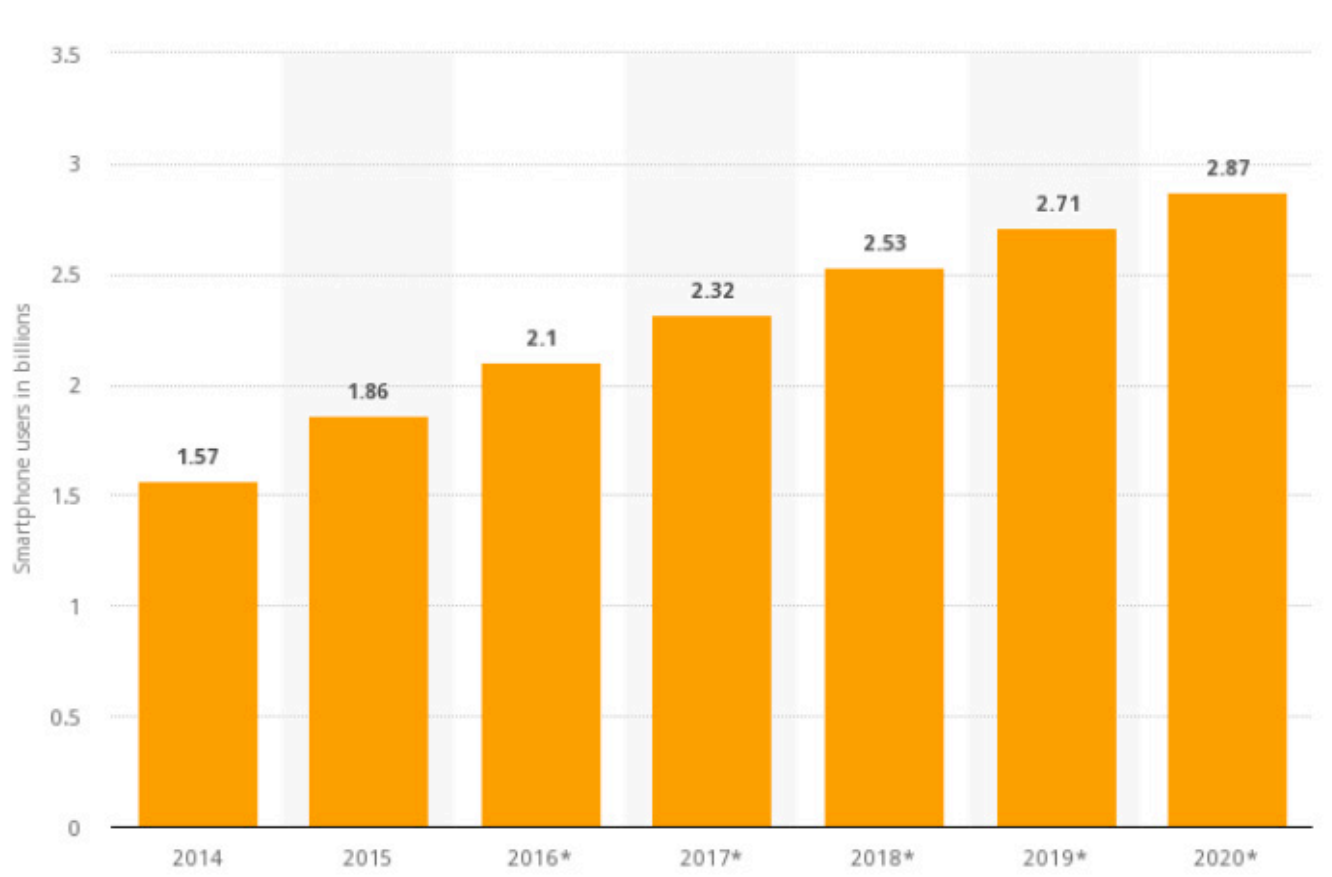
23 <https://www.awin.com/us/news-and-events/industry-news/quarterly-mobile-update-q1-2016>





location and provide them with offers, deals and rewards that will benefit them.

There are already mobile apps that show deals and offers close to me (useful when searching for a local restaurant to eat in for example) but thanks to the advanced Pay Per Actions we can define rewards in the Smart Contract for a whole range of new activities including checking into a business/ location, spending a defined amount of time in a location, taking/sharing photos/videos at a location etc. This is a whole new branch of marketing and will open the doors to lots of exciting opportunities.



### Smart Devices - Internet of Things (IoT)

Smart devices are increasing year on year and Internet of Things (IoT) is fast becoming part of our day to day lives. By 2025 there is estimated to be over 75.44 billion devices smart devices connect to the Internet of Things<sup>24</sup>. This includes everything from smart fridges and ovens, to cars, lights and thermostats. By using AffiliateCoin's unique Pay Per Action system on the Blockchain we can create smart contracts to reward users for actions they perform with these devices.

These rewards can be anything from buying healthy food, driving safely or reducing energy

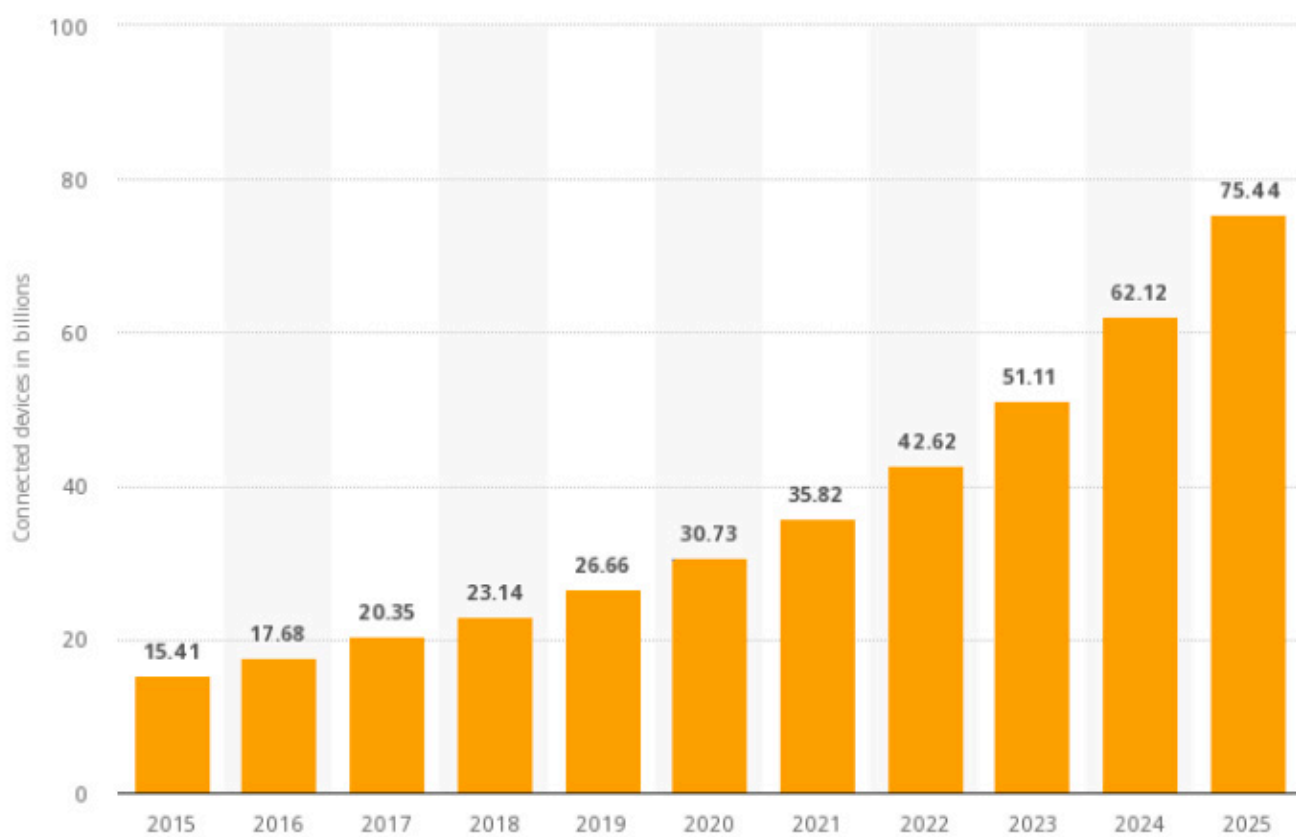
24 <https://www.statista.com/statistics/471264/iot-number-of-connected-devices-worldwide>





consumption. Using or Smart Contracts it will be possible for Publishers to receive rewards on actions performed by the end user such as government based energy efficiency targets or insurance companies promoting safer driving. As this sector expands and new technologies are integrated into the internet of things more opportunities will develop and AffiliateCoin will be ready and waiting.

There are some very interesting IoT Blockchains projects already in existence that will integrate well with AffiliateCoin. Currently we are planning to integrate with IBM Watson IoT™ Platform<sup>25</sup> which has made some great progress in this sector but are looking at working with other projects in the future.



## Wearable Technology

Wearable technology is on the increase and is estimated to be worth over \$126.1 million USD by the end of 2019.<sup>26</sup> This is a huge market that is ripe for Affiliate Marketing as these devices are getting smarter and more feature rich making the Affiliate Marketing potential more viable.

As AffiliateCoin is enriched and the potential for smart Pay Per Action opportunities become possible, the opportunities in the wearables market is unlocked. For instance we can offer rewards when a

<sup>25</sup> <https://www.ibm.com/internet-of-things/be-en/platform/private-blockchain>

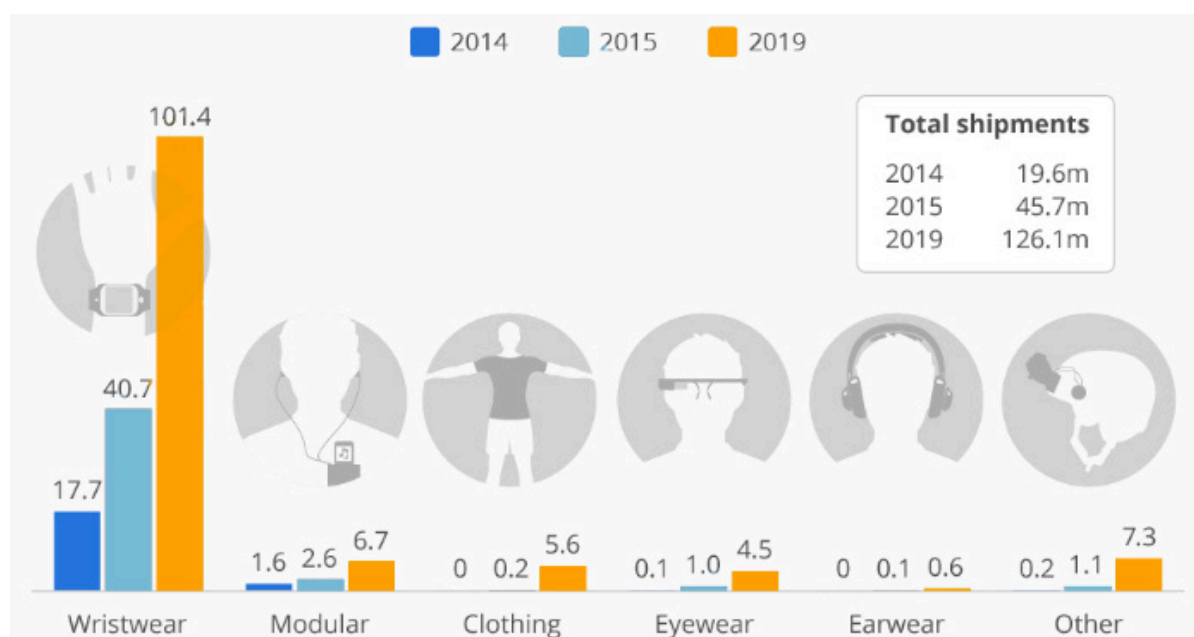
<sup>26</sup> <https://www.statista.com/topics/1556/wearable-technology/>





certain action or event has been completed such as walked 10,000 steps, listened to a complete album or made a payment using a smart ring.

Currently Publishers will promote the product but once the sale is made this is where their journey ends. Now it will be possible to incentivise Publishers to continue promoting the products and their features to encourage daily use. There are limitless possibilities in this field but the opportunities for Publishers to promote the product beyond the point of sale will lead to better experience for the users as more features, functionality and add ons of their products become apparent.



## Virtual and Augmented Reality

The Forecasted augmented (AR) and virtual reality (VR) market size worldwide is expected to reach \$215 billion USD by 2021<sup>27</sup>

This represents a huge opportunity for marketers to promote their goods and services. This is very interesting marketplace and exciting new technology that is slowly reaching the quality and clarity that has been on the horizon for a generation.

When done correctly it can be hugely profitable. The infamous Pokémon GO AR app had over 100 million downloads, generated revenue of over \$268 million USD and had daily active users in excess of 20 million.<sup>28</sup>

This would have been a good use case for AffiliateCoin Augmented Reality. Different Publishers could promote different in app features, add ons, place adverts at certain points on the map, recruiting new

<sup>27</sup> <https://www.statista.com/statistics/591181/global-augmented-virtual-reality-market-size>

<sup>28</sup> <http://www.businessofapps.com/data/pokemon-go-statistics>



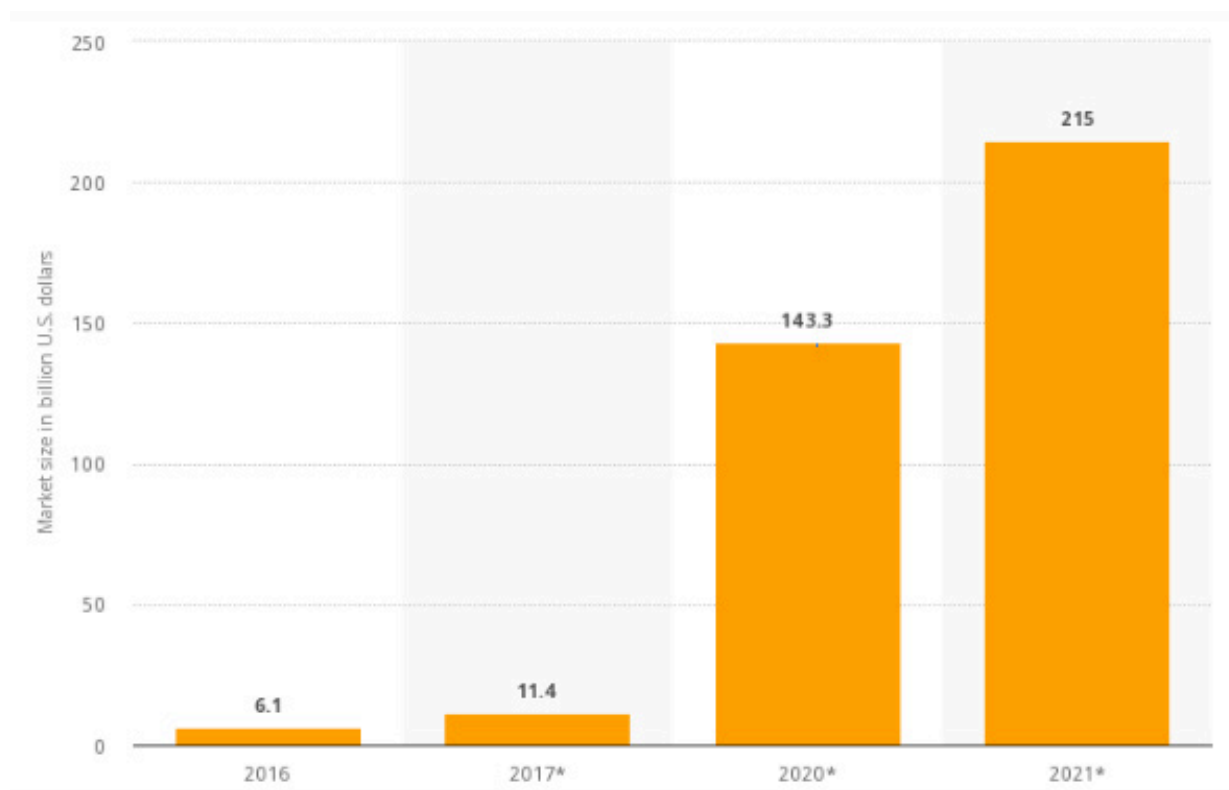




users etc. These are just a few examples but as this sector grows many more opportunities like this will become apparent.

The quality of Virtual Reality devices has increased dramatically over the past few years and there are real innovative applications making use of this technology. One of the largest sectors for this technology is online gambling. Casino VR for instance simulates casinos around the world and lets the users play their favourite games in these expansive casinos<sup>29</sup>. If this was to be promoted with AffiliateCoin Publishers could get a reward each time a user credits their account, plays for a pre-set period of time, plays so many hands, entered a certain tournament, download additional maps or played new games for the first time etc. There are a wide range of incentives Merchants can create and Publishers can then use to increase user activity.

To help Merchants utilise this new technology and create Promotions in the VR sphere we are looking to partner with the decentralized AR/VR ecosystem of Cappasity<sup>30</sup>.



### iOS and Android Mobile Application

We will be producing a mobile app for both iOS and Android to make the dashboard simpler to use on mobile devices. However this will be further down the development roadmap as the application will be built with mobile first principles and will be fully responsive. This means that the platform will work

29 <http://www.casino-vr.com>

30 [https://artoken.io/assets/docs/Cappasity\\_WP.pdf?ver=1.04](https://artoken.io/assets/docs/Cappasity_WP.pdf?ver=1.04)







perfectly fine on mobile devices and tablets prior to the apps being launched.

### Third Party Plugins and Voucher Code Distribution/Authentication

To help Merchants deploy our Transaction Verification Scripts we will be creating various 3rd party plugins for popular E-commerce and Content Management Platforms that will allow for seamless integration. This will include: Wordpress, Drupal 7 and 8, Shopify, Magento, Ubercart, Drupal Commerce and BigCommerce. This list is not exclusive and we have reserved funds to have developers of other platforms to build these plugins for AffiliateCoin.

#### -Merchant Plugin

Part of the roadmap also includes Voucher Code verification and distribution from within the E-commerce platform. These plugins that we develop will allow the Merchants to create Voucher Codes within their E-commerce platforms and push these codes onto our platform through our API. The Voucher Codes are then entered onto the Blockchain with the correct Voucher Code, description and appropriate start and end dates.

These plugins will work with the third party E-commerce platforms to ensure that the Voucher Code exists and are valid. Should any amendments be made to the Voucher Code this will invalidate the current Smart Contract and create a new one. This will be updated through our feeds and API's that will automatically update the third party websites through distributed push notifications. This will ensure that the correct Voucher Codes and activation dates are always present on the Blockchain and within our platform leading to higher end users satisfaction and eliminating the frustration of entering invalid Voucher Codes. This is a huge change for the industry and will end ClickBait and the estimated 80% of Voucher Codes that do not work.

#### -Publisher Plugin

Plugins will also be available on these platforms for Publishers. These will pull in the latest offers and deals onto their websites. This will work with our API / Feeds to pull in all of the Publishers approved promotions into their website or platform.

### API

We will be producing a comprehensive API and XML/JSON feed generator. This will be usable by both Publishers and Merchants and will allow 3rd parties to integrate with the AffiliateCoin Platform. Merchants will be able to push promotions and Voucher Codes, check their balance, approve Publishers etc all from their proprietary marketing platforms.

The API and Feeds can also be used by Publishers to import the latest Merchant offers, promotions and Voucher Codes. This can be done using the API or with our extensive XML/JSON feed builder.





### Automated Testing and Selenium

This platform is a large ecosystem and has many different moving parts. We have an extensive development team for this project and will need to ensure the stability and security of the platform at all times. Each aspect of the system will be created in a modular way enabling us to enable/disable each component. Each of these modules will have coded into them unit tests and a full suite of functional tests using Selenium<sup>31</sup>. Every pull request that is created will run the full set of unit and functional tests to ensure that the platform remains stable and that the addition or modification of a single module does not have unintended side effects elsewhere in the system.

### Open Source Technology

AffiliateCoin is committed to open source code and where possible we will be using open source technology. During the development of the platform we will be releasing various projects on Github that will remain open source. We will also be releasing free 3rd party plugins for a variety of content management and E-commerce platforms. We will also be releasing our Solidity Smart Contracts and making improvements, patches and features to a range of other open source projects.

### Adult Content

The marketing of online Adult Content is big business and accounts for \$100 billion USD annually<sup>32</sup>. A sizeable proportion of their marketing budget is spent on Affiliate Marketing and as such is not something that should be ignored.

Many of the largest Affiliate Marketing Networks in the world (including Click Syndicate<sup>33</sup>) support Adult Affiliate Marketing and even Google Adwords supports Adult Content Marketing but has some restrictions and limitations in various countries<sup>34</sup>. AffiliateCoin has therefore come up with the sensible approach of restricting Publishers access to Adult Merchants by default. This option however can be enabled so long as the country that the Publisher is operating in enforces no legal constraints.

## Marketing Dashboard

To better serve our Publishers, a suite of tools are going to be developed to aid in the execution of successful marketing campaigns. Including tools to help Publishers make the most of Merchant offers and promotions, there will be a full Print on Demand System, email marketing dashboard, copywriting services and a full asset library.

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31 <http://www.seleniumhq.org>

32 <http://www.nbcnews.com/business/business-news/things-are-looking-americas-porn-industry-n289431>

33 <http://clicksyndicate.com>

34 <https://support.google.com/adwordspolicy/answer/6023699>





### Email Marketing Dashboard

A full email marketing suite will be produced to broadcast emails directly from the AffiliateCoin marketing dashboard. This will conform to the various legal legislation around email marketing per country and so will operate slightly differently depending the geographical location of the end user.

This will allow our Publishers to send emails to their contacts containing our unique affiliate links. The successful delivery, open rate and responses of these emails are stored on the Blockchain and can be seen inside the reporting section of the marketing dashboard.

This Email Marketing Dashboard will contain a full templating system allowing users to select and customise email templates (that work across the 50 most popular email clients). This will automatically handle bounces, out of office messages and replies. AffiliateCoin will offer full reporting on the successfulness each broadcast and campaign.

These cost to the Publishers for these broadcasts will be kept as low as possible and will have a free tier for low volume broadcasts, however larger broadcast volumes will require the spend AffiliateCoin per email recipient.

The data from these broadcasts is fed back into the AffiliateCoin Artificial Intelligence Engine (ACAIE) and is used to help advise ways to achieve better results from broadcasts. This is done by offering suggestions on subject lines, graphics, and content for the target sector. In addition to this it will recommend the best time and week day to send the broadcasts to get the highest possible response rate from email campaigns.

### Direct Mail Dashboard

Whilst Direct Mail has been on the decline for years it is far from a dead industry. In 2016 the USA alone sent over 149.4 Billion pieces of Direct Mail<sup>35</sup>. Printed media is also still very popular for users without email addresses or in countries like Germany which have some of the strictest Email Marketing Laws in the world<sup>36</sup>. In these markets high quality Direct Mail is a key weapon in a Publishers arsenal and with a 2016 annual spend in the USA of \$8.9 billion<sup>37</sup> it is still an important part of a comprehensive marketing strategy.

AffiliateCoin is working with several Global Printing Agencies to develop a robust Print On Demand system that allows Publishers to design High Quality Direct Mail within the AffiliateCoin dashboard using a large range of templates and designs. This can then be ordered through the AffiliateCoin dashboard for a fee of AffiliateCoin per address.

Depending on the intended location of the Direct Mail an appropriate printer will be recommended based on cost and delivery times. Upon selection this will be instantly received by the printers along with the assets, content and mailing list; the printing will begin instantly. When a successful order is placed and the the printer receives all the assets this will trigger the fulfillment of a Smart Contract

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35 <https://thedma.org/marketing-insights/marketing-statistics/direct-mail-statistics>

36 <https://www.globig.co/blog/the-dos-and-donts-of-email-marketing-in-germany>

37 <https://thedma.org/marketing-insights/marketing-statistics/direct-mail-statistics>





and the confirmation of the transaction will be logged in the Blockchain ensuring a trustless system between AffiliateCoin and our printing Partners.

### Telemarketing Dashboard

Traditional Telesales is on the decline and unsolicited calls are a nuisance and in some regions illegal. However it still has an important place and can be a vital tool for Publishers. Telemarketing as a means of primary contact it is unadvised but as a secondary source of contact it can be of great value, particularly for high end products.

A good example is the sale of a finance package, or expensive product. This hypothetical end user has their interest sparked by a blog article the Publisher created and they fill in a form to request more information. The Publisher can then contact these users to answer their questions and explain the product or service in more detail helping them complete the sale.

The Telesales Dashboard will use the latest VOIP Technology to make and receive all calls through the dashboard. These will then be recorded and stored with Storj (the decentralized cloud storage solution)<sup>38</sup> so these calls can then be retrieved and evaluated later for training purposes. It will also offer video calls and screen sharing so that Publishers can better communicate with the End Users.

This dashboard will also contain full reporting on these calls including call duration, unanswered calls, voicemails, conversion rates etc. The cost of each call will be deducted from the Publishers AffiliateCoin balance and will be fully reportable to the corresponding Merchant.

### End User Marketplace

Depending on the country and region the Publisher is operating in the paid acquisition of user details may or may not be legal. Where this is legal we will be able to offer the Publisher End User contact details to market to. This will include both DM and Email lists and will split into Business or Consumer contact details. These will be searchable based on a range of criteria including sector, gender, age and location.

Whilst we will be able to offer both business and personal contact details for direct mail or email marketing purposes the laws around this vary greatly from country to country and state to state. Where possible though we will be able to supplement Publishers existing lists with new contact details for a fee of affiliate coin. These lists will then be available for use within our Email Broadcast and Direct Mail Systems along with the required legal wording. In countries where this is not legal this option will be disabled.

### Copywriter Services

Content is key to any marketing strategy and we have a wide range of copywriters and bloggers on hand to produce high quality content for your website, DM, blog or email. These can be found inside [our dashboard](#) where you can hire an individual or company to produce content for a particular

38 <https://storj.io>





campaign in exchange for a fee of AffiliateCoin. Using our AI engine we will recommend the best copywriters for you based on previous results and product/Merchant familiarity. Once hired, the transaction will be logged on the Blockchain and the Smart Contract fulfilled.

### Translation Services

Now more than ever before businesses are looking to the global market to sell their goods and services. In much the same way that copywriters can be hired through the marketing dashboard, translation services can be purchased. We are partnering with several leading translation services to offer global translations on a cost per word basis. Assets can be transferred to the translation agencies, completed and returned with no manual interaction. Once hired the transaction will be logged on the Blockchain and the Smart Contract fulfilled in exchange for AffiliateCoin.

### Asset Library

A Picture is worth a thousand words and often it can be hard to find the right image, particularly when it comes to digital/print rights. We are partnering with a leading digital media distributor to offer millions of photos to our Publishers without leaving the marketing dashboard. Each asset purchased will deduct a fee of AffiliateCoin from the Publisher balance and will be logged on the Blockchain and the Smart Contract fulfilled.

### Website And Blog Templates

There will be an offering in place to allow users to purchase templated websites and blogs directly from AffiliateCoin. These will be predefined template websites that are highly customisable Drupal And WordPress Offerings.

With a simple click they will be able to generate a new hosted website prepopulated with content and images around their chosen sector. This will give the Publishers a great platform from which to launch their marketing campaigns. Each website or blog purchased will deduct a fee of AffiliateCoin from the Publisher's balance and will be logged on the Blockchain to fulfill the Smart Contract.

### Voucher Code Website Templates

General Voucher Code websites have been available for many years now and some have been very successful. More niche and targeted Voucher Code and Promotional offer websites are offering better experiences for the end user. Using our Voucher Code Website Generator Publishers will be able to generate a Voucher Code website instantly that are pre populated with the latest offers, deals and Voucher Codes for the Merchants that this Publisher has been accepted for. This allows Publishers to instantly have a website promoting all of the offers and deals that are available within their dashboard. These Voucher Code sites then check the Blockchain every 15 minutes and pull in any new offers and deals as they are published by the Merchant.







# AffiliateCoin

## White Paper

### Registration

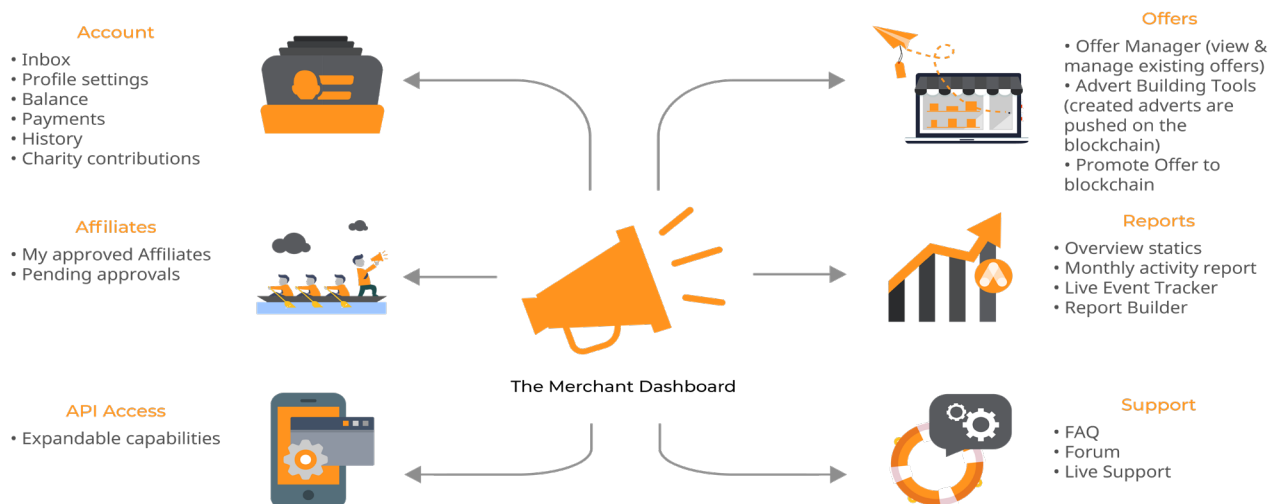
The user onboarding journey has been designed to be as frictionless as possible, making it simple for Merchants and Publishers to create accounts quickly. Appropriate security and verification measures will be employed and with just a few short steps the user is presented with a dashboard.



### Marketing Dashboards

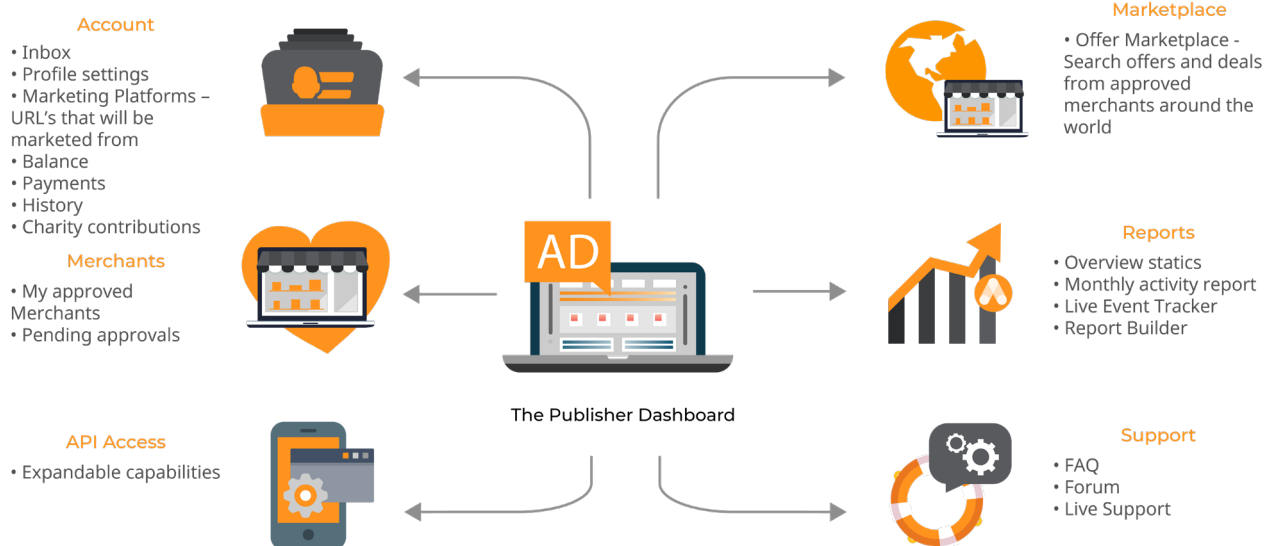
The dashboards are currently in development but below is an overview of what will be available.

#### -Merchant Dashboard





### -Publisher Dashboard



### Live Activity Tracker

Both Merchants and affiliates will have the ability to track events in real-time. Current Affiliate Marketing systems take between 24 and 96 hours to update but by using Smart Contracts and Blockchain technology we will be able to present this data in real time.

## Technical Implementation

### Application Architecture

The AffiliateCoin platform will be built on a service oriented application architecture (SOA) so as to logically isolate each key business activity, and thereby provide a system of loosely coupled, autonomous and reusable components. Such a method of system design will give rise to a scalable and resilient application topology.

The following diagram gives an overview of how the core microservices will be arranged, together with the customer facing applications that access them.

### -The Service Gateway

At the core of the architecture sits a gateway component responsible for routing HTTP requests to the relevant microservices. A combination of subdomain and specific request headers allows consumers to target individual microservice REST APIs. Designed to facilitate common business functions, each







API conforms to Level 3 of the Richardson Maturity Model<sup>39</sup> and implements a focused, discoverable interface for consumers. A brief overview of the core microservices is as follows:

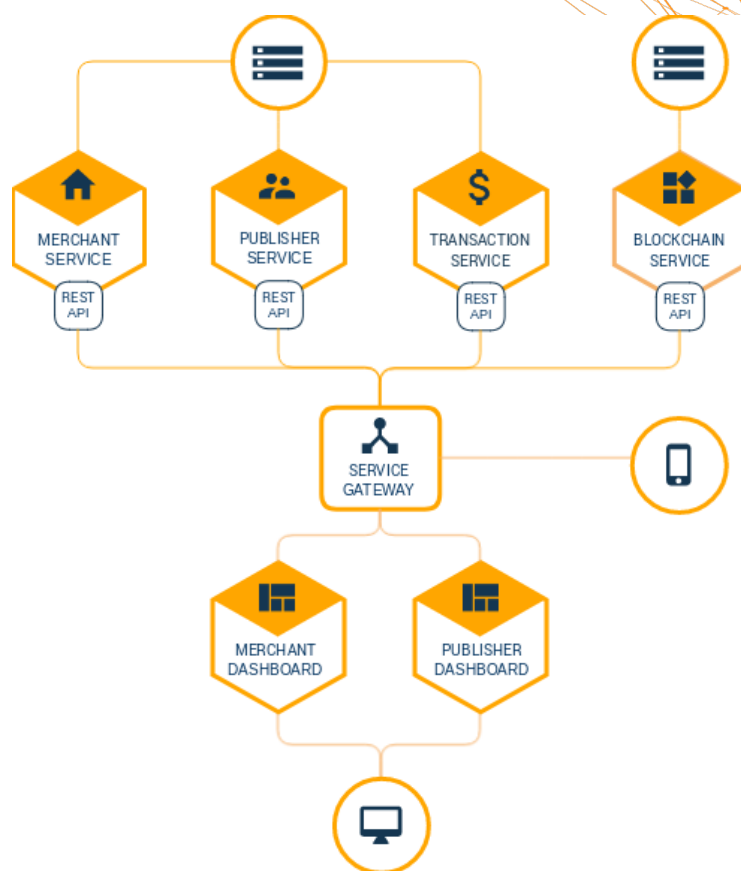
**Merchant** – Responsible for encoding the business logic relating to Merchants.

**Publisher** – Similarly, responsible for encoding the business logic relating to Publishers.

**Transaction** – Responsible for processing end user transactions originating from the Publisher (e.g. clicking an affiliate link). Identified as a critical path for the platform due to the role it plays in connecting end users with Merchants. It is expected there will be a large volume of requests for this component, so it will need to be lightweight and optimised for high throughput.

**Blockchain** – A portal to the decentralised Ethereum Blockchain network. Encapsulating knowledge of common tasks, all communication with the Ethereum platform will funnel through this microservice.

This gives a very brief overview of the intended structure of the core platform and is not an exhaustive list of components. Services not discussed here follow a similar pattern in that they are contactable via the service gateway, are independent of each other, and exist to serve a single application objective (e.g. authentication, automated customer communications and machine learning).



### -Customer Facing Applications

Merchant and Publisher accounts will be single page applications (SPAs) built using a modern JavaScript framework. Achieving business functions via the service gateway, these web browser based applications need not re-encode knowledge of complex tasks, but rather stand to facilitate end user objectives through clear user interfaces.

### -Application Security

End users will be required to enter a password to gain access to the application and a minimum complexity policy will ensure passwords are secure. Having been individually salted and hashed using

39 <https://martinfowler.com/articles/richardsonMaturityModel.html>





a one-way hashing algorithm, stored passwords will be useless to anyone except the original user, even in the highly unlikely event of a data breach.

Authentication with the platforms microservices will be handled using JSON Web Tokens (JWT), a modern standard for handling authentication with stateless applications.

Development guidelines will ensure the AffiliateCoin platform is aligned with security industry best practices as described in the OWASP Top Ten Project (2017).

## Network Architecture

It is of paramount importance that the AffiliateCoin platform is operational at all times. If the service were to become unavailable then the loss of transactional data would cause immediate declines in reported end user conversion rates, which would negatively impact Publisher rewards.

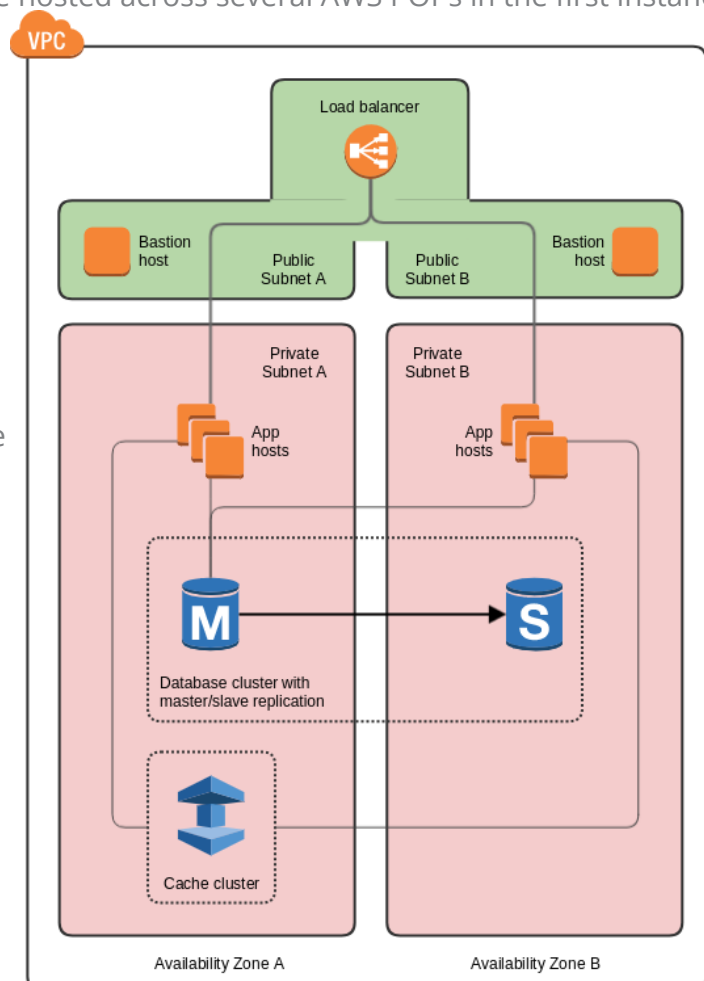
### -Designing for High Availability

With high availability a main concern, we require a network design pattern that promotes uptime across several points-of-presence (POPs). Amazon Web Services (AWS) provide coverage with data centers located globally, so the platform will be hosted across several AWS POPs in the first instance, including Europe/Ireland, US East/Virginia, US West/California and Asia Pacific/Tokyo. Launching in multiple regions also allows us to prove the platforms ability to operate gracefully even when failures do occur; if an AWS region becomes unavailable then requests should automatically failover to an alternative healthy region, thereby achieving as near to 100% uptime as possible. Due to the short period of time it can take for graceful failover to occur, we expect to achieve an availability class of between 4N5 and 5N (between 99.995% and 99.999% uptime).

### -Scalable Microservices

Components of the SOA will take the form of the following network pattern (note that the VPC, subnets and bastion hosts pertain to the region and are shared among microservices).

By designing the application to run in a distributed fashion, we can scale resources horizontally to meet the demands of real-time





traffic volumes. Scaling from just a few hosts to tens of hosts per availability zone is not only trivial, but automatic, based on predefined thresholds for real-time metrics such as page load speed (note that we can guarantee additional capacity on-demand by purchasing AWS EC2 reserved instances).

By deliberately building in redundancy we ensure the system is capable of handling sudden spikes of traffic (e.g. if a heavily followed Publisher releases a blog article containing a Merchant link). Together with the ability to scale resources fast, this gives us an ideal platform from which to sustain rapid growth of the business.

### -Network Security

The AffiliateCoin network infrastructure will be protected by firewalls and security group policies. Network traffic will be restricted to ports 80 (HTTP) and 443 (HTTPS), and data will be encrypted in transit using the TLS protocol. Protection from DDoS attacks will be provided by AWS Shield.

Regular scans of our infrastructure will be performed to ensure that any vulnerabilities are found and patched quickly, and penetration tests will be run by a 3rd party at regular intervals.

Role based access to the infrastructure will be restricted to specific members of the IT operations team and will only be possible via securely encrypted keys, rotated quarterly. That said, it is not expected that gaining access in this manner will be necessary on a regular basis since all infrastructure related tasks will be automated. All attempts to access AffiliateCoin systems will be logged and monitored via a centralised logging facility.

## Data Architecture

### -Transactional Database Systems

Functionality exposed by services in the AffiliateCoin platform will mostly be driven by data stored in relational database systems, as is typical when modelling real world relational entities (i.e. Merchants and Publishers). The transaction service will store document-oriented data in the high performance Elasticsearch database platform, where the ability to index and aggregate over large datasets is more important than it is to model relationships, as in the Merchant service, for example.

These systems will fulfil the data storage requirement of the business' real-time operational functions, such as Merchant/Publisher dashboards, updating profile/account details, and storing end user affiliate driven transactions. Each microservice application will be responsible for maintaining both the schema and the data stored in its corresponding database instance.

### --Scaling Data Operations

Two techniques will be used to create a scalable architecture for operational data:

Replication – data from one database server (the master) will be automatically copied to several other





database servers (the slaves) in real-time. In combination with a load balancer, read-only queries can be spread out among the slaves so as to increase the overall capacity of the database cluster.

In-memory cache – Results for common or expensive queries will be stored in memory in order to shield the database servers from unnecessary load.

### -Multi-tenant Storage

Merchant users will be organised into groups, or teams, given by a company name captured during registration. A dedicated database will exist for each group so as to provide siloed workspaces. This will be an important feature in ensuring the security of Merchant data and will go some way to fulfilling the Software-as-a-Service (SaaS) pattern.

### -Data Security

AffiliateCoin is dedicated to the protection, integrity and reliability of all customer data. With full ISO 27001 compliance on the security roadmap, customers can be sure we are operating to the highest standards.

Access to database systems on a “least privilege necessary” basis will be restricted to relevant microservice applications, and to specific members of the IT operations team with access keys rotated quarterly. Security group policies will be used to prevent connection attempts from unknown IP address ranges, and by only attaching database servers to private subnetworks we further shield customer data from the public internet.

Full backups of transactional data, including all customer data, will be run daily and stored securely within AWS for a period of 14 days. Access to backups will be restricted to specific members of the IT operations team, as described above.





### Coding Languages and Frameworks

The AffiliateCoin platform will be built using a number of open source languages and frameworks:

- HTML 5 / CSS 3
- PHP 7
- Symfony 4
- Drupal 8
- JavaScript
- NodeJS
- JQuery 3.2
- Solidity
- WebAssembly
- C++
- Python / Ruby

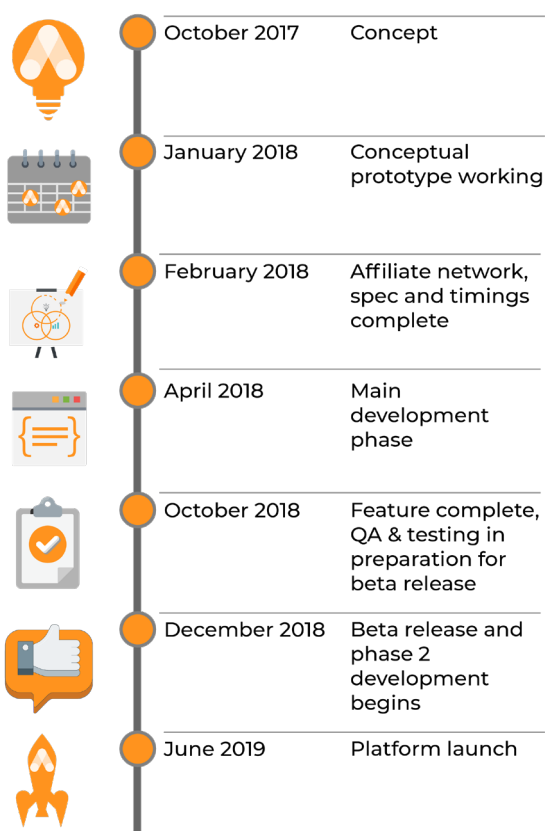




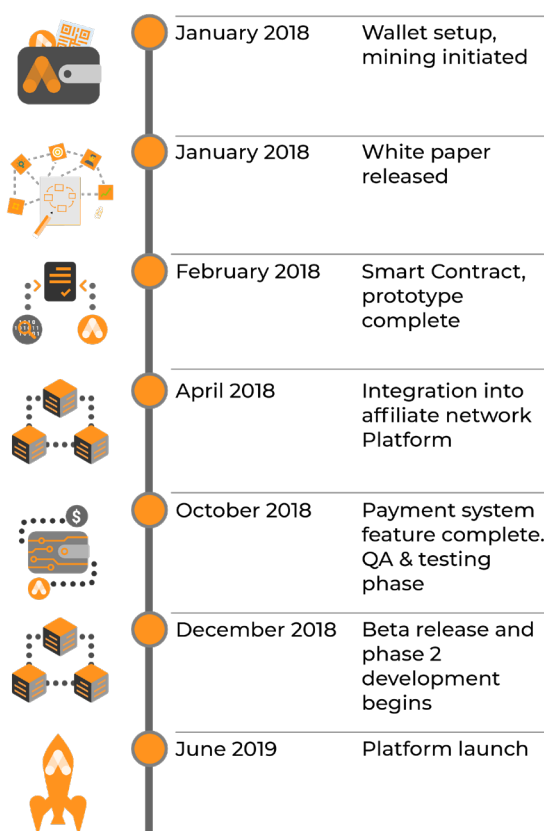
## Roadmap

Below is the target roadmap for this project. Although exact dates may move slightly as the project develops, it is currently expected that this timeline is realistic and will provide adequate time to complete all tasks to the highest standard.

### AffiliateCoin Platform



### AffiliateCoin Blockchain Network



## Company

Our core team is made up of seasoned developers with a broad range of experience architecting and building high profile websites and platforms. This includes FTSE 500, International Blue Chip companies, Marketing Dashboards, Email Broadcasters, Voucher Code websites and Templating Platforms. We have also developed custom payment gateways, property websites, Premier League







football clubs as well as high availability military and government projects.

### Overview

We have spent years developing both B2B and B2C platforms and have worked with Affiliate Marketing agencies for over a decade so are well aware of the issues and problems that the industry faces. It is only now with the use of Smart Contracts that these can be overcome and we are all really excited about revolutionising the Affiliate Marketing sphere.

We have been reaching out to various companies, and individuals for the past 6 months to put partnerships, advisors and consultants in place to help make this project a success. Whilst the technology and development of the platform is something we are very confident in achieving other aspects of the platform are beyond our in-house knowledge or will be uneconomical to reproduce (such as global printing and distribution network).

Therefore we have reached out to various individuals and companies to assist us in the delivery of aspects like the global distribution of Direct Mail, the legalities of Email Marketing and Telemarketing in different countries around the globe.

These advisors and partners will help us to improve our offerings and integrate our services into their platforms and distribution networks. They are also on hand to offer advice and to help make the appropriate introductions to their various contacts which will aid us in breaking into new markets and sectors. In exchange for these services we will be allocating each of them a set amount of AffiliateCoin and this is explained in our Token Distribution metrics below.

### Carbon Neutral

Carbon neutrality is gaining momentum as businesses and nations establish a global response to climate change, and demonstrate a commitment to meaningful targets. Hundreds of businesses around the world have become certified Carbon Neutral<sup>40</sup> and AffiliateCoin is seeking to join that list. We are actively engaged in obtaining the Carbon Neutral certification that demonstrates we have set and met a target for zero emissions for all our operation and activities.

### Social Responsibility and Charity

A company is about more than just the bottom line and we believe that businesses should balance profit-making with activities that benefit society as a whole. This is ingrained in the core of our business and we are determined to make a difference around the globe. Our goal is have a 3% market share of the global affiliate networking market by 2025 but as we grow and our platform matures we want to help others along the way. We take a commission of 2% on each transaction between the Merchant and the Publisher however the story does not end there.

Each Merchant and Publisher has the opportunity to select a charity that they wish to work with. Once selected a partnership will be formed on the Blockchain and a Smart Contract created. Every time a







user completes an action and the Publisher is rewarded, AffiliateCoin will take 2% of the transaction fee as commission. 12.5% of this fee is then given to the Merchant's chosen charity and 12.5% is given to the Publisher's chosen charity totaling 25% (0.5% of the entire transaction fee).

AffiliateCoin is effectively giving away 25% of our transaction profits to charity and if we hit our growth forecasts and achieve 3% of the global market share this will equate to quarterly revenues for the various charities at approximately \$17.4 million.

Any charity can apply to become listed on the platform but will require approval and verification before being listed. This will ensure that no bogus charities or charities masquerading as tax loopholes are listed. Once listed on the platform a wallet will be created on their behalf and then any Merchants or Publishers that would like to work with them will be able to select them within their respective dashboards. Charities will be able to withdraw their funds at any time.

We are hoping that we can make a real difference to the lives of millions of people around the world and help to make a difference on a global level. Many Merchants and Publishers will have charities that they work closely with or have strong relationships/connections with and we are putting a method in place to help them promote causes that matter the most to them. The current platform is only intending on supporting one charity per Merchant/Publisher however this may change in the future as the platform matures to be split revenue between multiple charities.

## ICO Launch

The ICO launch will be split into three distinct phases. The Reservation Sale, the Pre Sale and the Public Sale. Phase 1 is to generate the funds to finish the prototype and recruit the team to build the Alpha release as well as assist in the marketing and PR of AffiliateCoin. The Presale will ensure enough funds are generated to fulfill the full development of the platform and launch the project in the first 2 markets. The final phase of the ICO is public sale and this will allow people to buy tokens in preparation for the launch of the product. These tokens will be utility tokens and will be usable within the platform to perform the various tasks.

### Token information

Token Type	Ticker	Total Supply	Max Token Sale	Payment Method
ERC20	AFL	1,000,000,000 AFL	60%	ETH

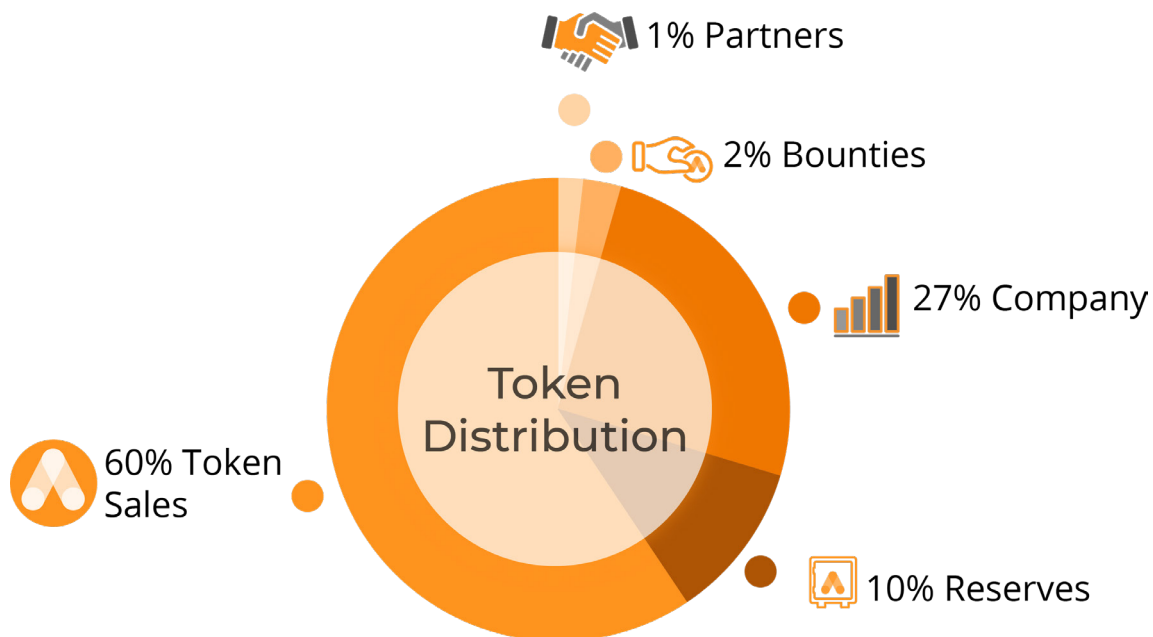




### Token Sales

	Reservation Sale	Pre Sale	Public Sale
Cap	2,000 Eth	4,000 Eth	110,800 Eth
Type	Soft Cap	Soft Cap	Hard Cap
Sale Volume	18,000,000	28,000,000	554,000,000
Sale Price	9,000 AFL per 1 Eth	7,000 AFL per 1 Eth	5,000 AFL per 1 Eth
Supply	1%	2%	57%
Minimum Buy	0.01 ETH	0.01 ETH	0.01 ETH
Maximum Buy	Unlimited	Unlimited	Unlimited
Bonus	80% Bonus	40% Bonus	No Bonus

### -Token Distribution

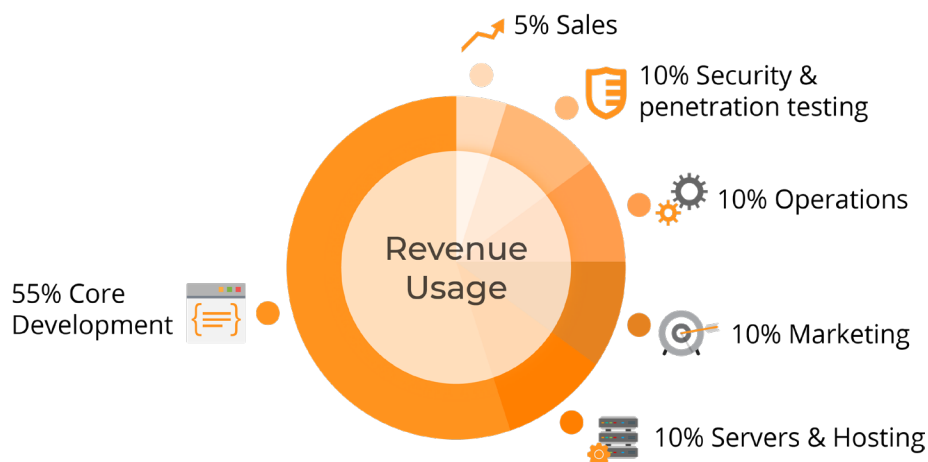


Any tokens issued to Directors, Company Employees, Partners and Advisors prior the Public Sale will be frozen for 6 months, with a further gradual defrosting of 10% per quarter of the original quantity.

### -Revenue Usage

75% of the funds generated will be for the development of the platform, along with hosting and security. We have a strong business model and are looking to use the vast majority of our resources to create a strong and viable product.





### Utility Token Functions

The main uses of utility tokens within AffiliateCoin are:

Everytime a promotion or offer is created by a Merchant it is entered onto the Blockchain in exchange for AffiliateCoin.

Everytime a Merchant approves a Publisher it is entered onto the Blockchain in exchange for AffiliateCoin.

Every time the required action is fulfilled by the end user (click/sale/action) it is entered onto the Blockchain and the Smart Contract completes, in exchange for AffiliateCoin.

Publishers can use the tokens to purchase

Digital assets

Website templates

Blog templates

Voucher Code sites

Copywriting resources

Translation services

Direct mail broadcasts

Email marketing broadcasts

Telemarketing services

Once this Smart Contract is complete the defined reward of AffiliateCoin is issued to the Publisher.

As the network grows and more Merchants, Publishers and offers are activated the greater the value of the tokens.





### AffiliateCoin Bounties

AffiliateCoin will run a bounty program which will offer amounts of AffiliateCoin in exchange for the reporting or solving of bugs. We will have a section of our website where developers can report and solve bugs in the protocols and clients on our GitHub projects. Each successful bug reported will earn a reward as will the solving of each ticket. The more critical the issue the higher the reward will be. We have allocated 1% of our total budget for ticket bounties but the exact reward amount for each category is still to be determined.

## Go-To Market Strategy Overview

AffiliateCoin gives Publishers the opportunity to receive a higher revenue percentage than has been traditionally possible using standard centralised Affiliate Marketing networks. We have removed the high barriers to entry that prevented small businesses from using Affiliate Marketing and by using Smart Contracts we can create bespoke Pay Per Action models. This will allow businesses to target specific events, not just the traditional Pay Per Click or Pay Per Sale actions.

This approach in combination with machine learning, Decentralised Databases and the full marketing dashboard makes us the most advanced and future proof Affiliate Marketing network in the industry.

### Objectives

Alpha Release September 2018

Beta Release and select customer testing December 2018

UK Release with 100 Merchants and full integration with Voucher Code distribution networks – Q1 2019

	100 Merchants	250 Merchants	500 Merchants	1000 Merchants
UK	Q1 2019	Q4 2019	Q1 2020	Q4 2020
Canada	Q4 2019	Q4 2020	Q1 2021	Q4 2021
Europe	Q1 2020	Q3 2020	Q1 2021	Q4 2021
USA	Q2 2020	Q4 2020	Q1 2021	Q4 2021
South East Asia	Q2 2020	Q4 2020	Q1 2021	Q4 2021
Global Rollout	Q4 2020	Q1 2021	Q2 2021	Q3 2021

The first 100 Merchants will be given free/heavily discount tokens to help get them started and





encourage them onto our platform. These Merchants will be a combination of users that are new to Affiliate Marketing and seasoned Affiliate Marketing Merchants from existing centralised platforms.

The first release of the platform will be in the UK, primarily because it is the market that we are most familiar with and where we have been working for over a decade., UK Affiliate Marketing also drives 1% of the country's total GDP<sup>41</sup> (more than the agriculture industry) and has a global spend of more than \$1.76 billion USD<sup>42</sup>. This also ensures that any issues or problems with the platform are rectified on this smaller market before the US and European platforms are released ensuring a smooth rollout of the platform to these regions with the largest market share.

## Risks

Investments in cryptocurrency and tokensales are classified as a high-risk investment and is subject to huge fluctuations in price. Investing in AffiliateCoin tokens does not guarantee that the future price of the token is going to rise and there is a risk of incurring serious losses as prices may go down as well as up.

The AffiliateCoin token is a utility token and is used as an exchange tool between the Publishers and Merchants and for acquiring various digital asserts on the platform. It does not provide the right to vote or the right to property in AffiliateCoin company. The platform does not translate AffiliateCoin tokens into fiat currencies and is not responsible for the fluctuation of the AffiliateCoin token if it is listed on third-party exchanges.

Cryptocurrencies currently have a high volatility and little to no financial regulation and so financial losses are possible in the event of acute fluctuations in cryptocurrency or fiat currencies.

If any country, state or jurisdiction implements a law with adverse effects on the crypto industry, translation of tokens to fiat currency could become difficult or impossible in that region.

When tokens are exchanged to fiat, the relevant services could charge a commission and the government of the relevant jurisdiction could mandate payment of taxes. If new laws are enacted in any of the world's jurisdictions, there is a risk that investors be obliged to pay taxes or additional charges against any funds invested in AffiliateCoin before or after the date that the law is passed.

The period of time after investing in the token sale, the pre sale or the reservation sale and before the launch of the project is classed as high risk. Investors could lack the ability to use tokens in any way or sell them.

The AffiliateCoin team does not guarantee successful project development or a return on investment. Competition in the field of internet marketing is fierce and alternative projects could be successful which may affect our growth forecasts or potential market share. This will have a negative impact on the position of AffiliateCoin investors. We are also dealing with some very new technologies that in

41 <https://www.iabuk.net/disciplines/affiliate-marketing/resources>

42 <https://preview.tinyurl.com/ycjygxup>





beta, only just being released or are in various stages of development. These 3rd party projects may change direction or be retired and this will affect our proposition as stated in this white paper and may require us to pivot or drop features from this platform. AffiliateCoin reserves the right to adjust the revenue model should adverse market conditions or new legislation require us to do so.

### International Legislation, Securities and Crowdsale

AffiliateCoin is not able to accept investors that are citizens or residents of the US, China or any geographical region in which the participation in crowdsale activity is prohibited by applicable law, decree, regulation, treaty, or administrative act.

AffiliateCoin does not intend to interpret this sale as an Initial Public Offering or Share/Equity offering. This is a utility token sale and does not involve the exchange of Cryptocurrencies for any form of "Ordinary Shares" in AffiliateCoin, neither does an AffiliateCoin token purchaser receive any form of dividend that is "guaranteed". This token sale will not involve any Fiat Currencies and will strictly be done in cryptocurrencies. AffiliateCoin Token Ownership is not an evidence of corporate ownership or right to control. Controlling AffiliateCoin does not grant its controller ownership or equity in the AffiliateCoin platform as a whole. AffiliateCoin does not necessarily grant any right to participate in the control, the direction or decision making of the AffiliateCoin platform or applications.

## CVA Code of Conduct

Investing in cryptocurrencies can be fraught with risk but we are looking to mitigate this with our investors by being as open and transparent as possible. As a company we are committed to the CVA Policy Framework which includes a set of Core Values, a General Code of Conduct (CoC) and a CoC for the creation of Decentralised Ecosystems (DECoC).<sup>43</sup>

As a member of CVA we acknowledge having read and understood the Core Values, the General CoC and the DECoC, and that we will conduct our business consistent with the values and principles outlined therein.

This declaration is reaffirmed on an annual basis, complemented by an affirmation that we did not breach the Codes. Ignorance of the Codes is no excuse in the face of a breach.

### Code of Conduct

The full details of Code of Conduct can be seen here: <https://cryptovalley.swiss/codeofconduct>. The core values are:

- **Trust** - We understand the value of trusted relationships at all levels of the society and the

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<sup>43</sup> <https://cryptovalley.swiss/codeofconduct/>







economy, and strive to earn and keep the trust of all those with whom we interact.

- **Transparency** - We are transparent in our dealings and protect personal privacy. We look for the same in those with whom we work.
- **Collaboration** - We believe in the strength of enthusiastic cooperation and work to foster collaboration within our ecosystem and the wider community.
- **Integrity** - We are honest in everything we do and take great care to maintain our integrity within our organization and in our dealings with others.
- **Innovation and Quality** - We strive to be innovative in our work and to catalyze and support innovation in our ecosystem and the wider community. We are committed to achieve highest quality.
- **Security** - We ensure the highest security standards in the work we do and carefully identify, assess, mitigate and control technological, business and societal risk.
- **Beneficence** - We believe Blockchain technology should serve a useful and necessary commercial or social purpose.

By becoming a member of CVA and abiding stringently to their Code of Conduct we can ensure investors are investing in an ethical and transparent company.

### Decentralised Ecosystem (DE) Code of Conduct (DECoC)

The CVA's DECoC subjects all members to minimum standards ensuring that the launch and operation of DEs within the CVA comply with the highest level of ledger enforceability, quality of protocols and applications, and compliance to relevant financial market regulations. This is something AffiliateCoin takes seriously and the time of producing this white paper believe that we conform to all of the relevant financial and market regulations in the regions that we operate.

**Decentralised Ecosystem Information** - In this whitepaper and our website AffiliateCoin has included:

- All of the technical features
- Full development plan
- Implementation timeline
- Benefits and risks
- The management team, their professional background, their role in the DE
- The legal structure
- Corporate organization and governance framework
- Storage and access to crypto assets

AffiliateCoin has outlined in this white paper and on our website a full assessment of the risks related





to the underlying technology, the storage and access of private keys, the regulatory, compliance, market and counterparty risks.

We have been explicit about the mitigation measures implemented and have highlighted the residual investment risk. We ensure that all community members participating in the DE are fully aware of the risks associated with the specific DE.

### Contribution and Distribution

**Pre-Blockchain Deployment Contribution** - AffiliateCoin ensures that the pre-deployment contribution phase unfolds within an audited corporate and technical structure using smart contracts.

**Blockchain Deployment and Distribution** - AffiliateCoin ensure that the Blockchain deployment and subsequent distribution phase (secondary market) are subject to highly secured, fully compliant and documented, and independently audited technical allocation systems, in this case Smart Contracts. AffiliateCoin will exercise every effort to comply with the relevant regulations of the jurisdictions in which we actively distribute our decentralised ecosystem.

**Minimum Contribution Disclosure** - AffiliateCoin will ensure at all time the transparency about:

- The functionalities of our utility token
- Applicable regulations
- Issuance protocol and schedule
- Pricing mechanism
- Relevant taxation regime
- Contributor-based differentiations
- Sequential implementation of functionalities and listing plans
- Buyback programs
- Existence of floors
- Envisaged burning and creation policy
- Treatment of any excess funding
- Existence of lock-up periods for funds attributed to management

**Records Management** - **AffiliateCoin manage, trace and archive all transactions properly and according** to prevailing laws and best financial practices. we shall have a risk based policy in place on the KYC level that we will implement for the contribution and operation phase. The CVA regards it as best practice to have a minimum KYC procedure (name, address, id-scan, mail and/or mobile no) as well as an information of the source of funds procedure in place.

**Suitability** - AffiliateCoin will make sure that the promotion of our DE is fair, clear and not misleading.





We are proactive in helping contributors to understand the technology, the risks and rewards in relation to their specific appetite and offer dozens of forms of communication including email, Instant Messaging and Telegram. There are many advanced concepts in this white paper and even seasoned developers find many aspects of this proposal confusing.

**Independent Verification** - Post contribution phase we will release a full audit report detailing the total level of funding achieved. This will be independently verified and published on our website.

### AML and KYC Risks

Money laundering and the ability to know your customer when looking for investment in a decentralised ecosystem is important to prevent money laundering and fraud. During the signup process on the platform we are will be using Civic<sup>44</sup> to help verify our users.

According to FATF, decentralised currencies have received attention as not only a new method of payment but a potential new criminal tool for terrorist financiers and money launderers to move and store criminal funds<sup>45</sup>. As a result AffiliateCoin Reserves the right to report suspicious activities to financial intelligence units. We have put in place various mitigation measures but want to highlight that there is still a residual risk and would like to make all investors aware of the inherent risk in Decentralised ecosystems.

## Summary

AffiliateCoin is creating a platform to address inherent issues that exist in current Affiliate Marketing platforms. We are removing sign-up and subscription fees, eliminating fraud, creating new methods for reward programs, and using machine learning and decentralised databases to create a platform that can be used by all Merchants without these fundamental problems.

We have detailed plans to use Affiliate Marketing for smart phones and smart devices like fridges and thermostats and are utilising the latest technological advances from across the industry to help us reach new markets and sectors. AffiliateCoin can be used for VR, AR, wearables and location tracking, as well as offering tools to Publishers for more traditional forms of digital marketing.

AffiliateCoin is about much more than just an Affiliate Marketing dashboard and will contain a whole ecosystem of tools including print on demand, email broadcasts and the ability to purchase assets or hire copywriters/translators to aid with marketing campaigns.

When the full platform is fully developed Publishers will be able to generate websites and blogs dynamically, purchase marketing data and run sophisticated email campaigns directly from our dashboard. Direct mail shots will be available sent to print partners for distribution globally. There

<sup>44</sup> <https://www.civic.com>

<sup>45</sup> <https://www.brightlinelaw.co.uk/BLL-Portal/Virtual-currencies-crowdfunding-and-the-money-laundering-and-terrorist-financing-risk.html>





will also be a telemarketing dashboard that will allow voice and video calls with the end user to help Publishers and Merchants promote and sell their premium products.

AffiliateCoin has the ability to disrupt a multi-billion dollar industry and is looking to generate the highest Return On Investment for any digital marketing sector. We are aiming to achieve a ROI of \$20 for every \$1 spent. In comparison the maximum Google Adwords ROI of \$3.72 for every \$1 spent<sup>46</sup> makes AffiliateCoin appear extremely viable and will lead to a huge shift in the digital marketing industry.

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46 <https://www.statista.com/statistics/595552/google-ad-words-roi/>

