

BCP

White Paper 1.1

— Blockchain Live Commerce

Block Commerce Protocol





1.

Business background

- 1.1 Video platform and personal media era
- 1.2 Creation of live commerce
- 1.3 Rapid growth of crowdfunding



1. Business background

1.1 Video platform and personal media era

The world where anyone can watch videos anytime, anywhere and anyone can operate their own broadcasting channel has come.

As internet users are constantly flowing into online video platform, video competitiveness has emerged as a key variable that determines the dominance of internet market. It is ready to take down stronghold of portal services which have been acted as gatekeepers of the internet market for last 20 years. As the contents market is reorganized focusing on video platforms, changes are taking place in various fields such as e-commerce system.

Youtube which has started its first service in 2005 has completely become as a video social network service (SNS) that represents the whole world just in 15 years. Over 2 billion people in the world are using Youtube currently. That means one in four people in the world are Youtube users. An average of 100 million new videos a day and 400 hours of videos per minutes are uploading. And the amount of steaming a day is more than 1 billion hours. In addition, there are 24.3 million individual channels on Youtube, and average viewing time a month for each user is almost 16 hours.

Creators of UGC (user generated contents) who are active in such platform and have a number of viewers are as popular as celebrities. There are even creators who make profits at the level of sales of one company among those who are actively acting in various fields including broadcasting, advertisement and commerce.

According to the advertising earnings of Youtubers in Korea last year revealed by Korea Communications Agency, 'PomPom Toys', a kids contents channel, took the first place with KRW 3.16 billion, followed by 'Carrie Play' with KRW 1.93 billion and 'Dootty' with KRW 1.59 billion. Since most of Youtubers can make additional profits from attracting self-advertising or appearing on broadcasting and events, their actual earnings is estimated to be much higher than this.

The expansion of video contents economy led by UGC creators has led to the creation of new business opportunities. As we can figure out from huge profits made by popular creators, the size of contents, advertisement and commerce market that connects video platforms and creators are getting bigger. MCN (Multi-channel network) and personal media education and consulting business that professionally manage the activity of creators are also growing as individual industries.

1. Business background

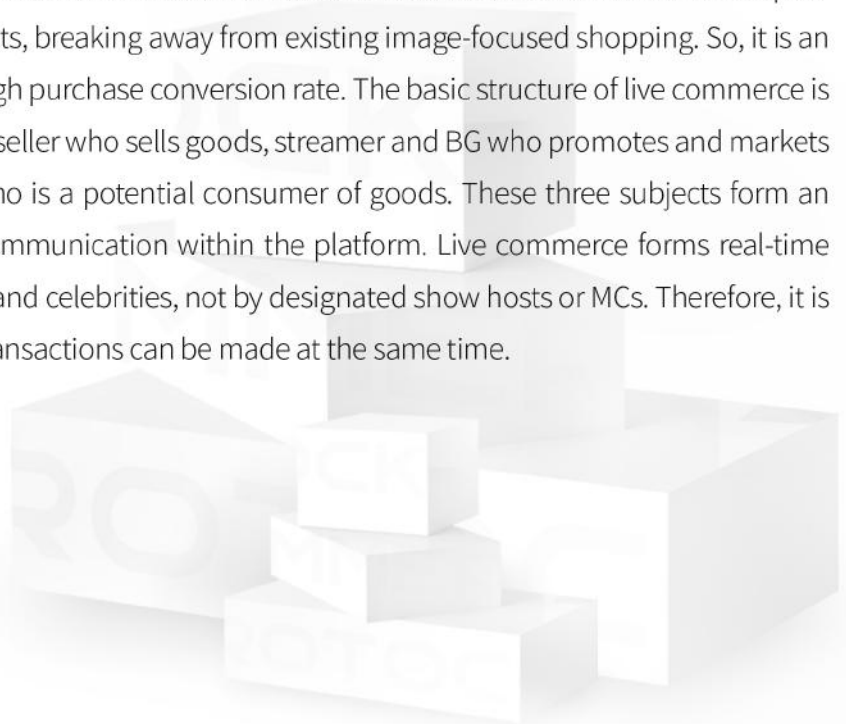
1.2 Creation of live commerce

There is also a big change in consumption pattern as transaction infrastructure based on social platform is developing in e-commerce market and reasonable consumption culture is spreading. Recently, the growth of TicToc, a video based SNS platform is remarkable. This is because SNS is being expanded as a commerce channel that induces e-commerce rather than considering it as simple marketing means.

Still, services based on e-commerce have a high market share based on existing traffics, but it is expected that attacks of video-based platform such as TicToc will be more intensified in the future. In addition, as representative global social platforms including FaceBook and Youtube are also connecting video contents and commerce function, the relevant market is expected to grow continuously.

In particular, e-commerce transaction that transacts goods based on real-time video streaming has been created since untact consumption has been popular with Covid 19 pandemic, and this is called live commerce. The size of live commerce market in China, the world's largest e-commerce market, recorded KRW 3.2 trillion in 2017, and it increased geometrically by more than 51 times to KRW 165 trillion just three years later, causing great repercussions in the world.

The most distinctive thing of live commerce compared to the existing e-commerce is that it allows two-way communication between seller and consumers in real time. It also allows consumers have indirect experience and vivid information on products, breaking away from existing image-focused shopping. So, it is an interactive marketing method with high purchase conversion rate. The basic structure of live commerce is consisted of three subjects which are seller who sells goods, streamer and BG who promotes and markets the goods in real time and viewer who is a potential consumer of goods. These three subjects form an organic market through voluntary communication within the platform. Live commerce forms real-time sales channel led by SNS influencers and celebrities, not by designated show hosts or MCs. Therefore, it is easy to enter the market and many transactions can be made at the same time.



1. Business background

1.3 Rapid growth of crowdfunding

There are hurdles which companies wanting to advance to the e-commerce market should go through and it is crowd funding. Crowd funding is a new method of raising capital which a company with insufficient or no funds opens its project on the internet and set the target amount and period to attract investments from anonymous crowd. The world's first crowd funding platform is Indiegogo which started in 2008, and the most successful crowd funding is Kick Starter in USA launched in 2009. Kick Starter has spread to USA and Europe, and it has become as a major way for various startups to launch their first products.

Crowd funding that presents a new business model can be considered as one form of e-commerce from the perspective of consumers. Crowd funding is a model that satisfies the needs of both investors and investees. Investors want high profits and investees want to raise funds. Startups or venture companies have limitations in raising funds from existing financial institutions since they can't prove their sales and profitability with financial statements even though they have good technologies and ideas. But crowd funding can make this possible. Projects that received good evaluations for the technology and products from market or public can receive funds.

A representative crowd funding platform in Korea is Wadiz. The number of opening projects in Wadiz is rapidly increasing every year since its establishment in 2012, and the accumulated number of crowd funding in 2019 reached 10,000. It funded more than 780 projects in 2016, more than 1,000 in 2017 and increased to 3,436 in 2018. This is a five times increase in two years. Therefore, it is a next-generation unicorn company with 1,000 visitors every month and 20,000 funding per month.

Based on its recognition as crowd funding platform, it continuously attracts new makers, achieving 10,000 outcomes. The funding size of Wadiz which was KRW 10.6 billion in 2016 was increased to KRW 28.2 billion in 2017 and KRW 60.1 billion in 2018. In 2019, it achieved funding at KRW 143.5 billion which is over the funding amount for the last 6 years (KRW 101.7 billion). It is estimated to have KRW 400 billion in 2020.



2.

Problems of existing platforms

- 2.1 Controversy over back advertising of Youtube
- 2.2 Insufficient verification on maker products
- 2.3 High rate of bankruptcy



2. Problems of existing platforms

2.1 Marketing problems with existing video platform: Controversy over back advertising of Youtube

The back advertising of Youtubers became a great social issue in 2020. It was an event which Youtubers were considered to deceive consumers by hiding or not properly informing the advertising or sponsorship in their contents. This was not just limited to Youtubers, but it had affected the entire internet broadcasting industry. Because of this event, advertisements using social platform such as Youtube and Instagram should clearly mark the fact about advertisement or sponsorship so that viewers can recognize about it. Main issue for this event was a moral issue that deceived viewers by pretending it is not an advertisement even though it actually was rather than legal issue of internet celebrities. It was a complex event that involves not only internet celebrities who performed advertisement but also MCN companies who were responsible for managing and supervising them and sellers who asked and promoted deceived advertisement to them.

2.2 Marketing problems with existing video platform: Insufficient verification on maker products

Verification from Wadiz is required to receive funding through Wadiz platform. Not only the business feasibility but also products should be verified. However, some of products developed and released through Wadiz crowd funding from 2019 were found to be products that are manufactured in China or already selling in Korea. 'Damo Toothbrush' which has been crowd funded by one company was found to be already distributed from Taobao, a Chinese shopping mall as well as in Korea. As it was found that there are many of these products, many companies have cancelled their funding. Even companies that sell Chinese OEM products or imitation products after just changing logs and packages have emerged, causing many victims.

There was a crowd funding project to sell USB with 2TB at KRW 30,000, but it was fraudulent project that was manipulated to be shown as 2TB capacity on PC even though it was actually 16GB, stopping funding.



2. Problems of existing platforms

2.3 Marketing problems with existing video platform: High rate of bankruptcy

The rate of bankruptcy of crowd funding was found to be more than 20%. According to the finance authorities and Korea Securities Depository, the bankruptcy rate of crowd funding bond as of the end of June, 2020 was 20.5%. 34 out of 166 bonds that had returned to maturity were found to be bankrupted. Overdue amount is estimated about KRW 8 billion.

'Green Plugged Seoul 2020' which raised KRW 800 million through Wadiz was expected to make up to 30% of profits, but as corona situation worsened, the performance was cancelled and most of investment has not been returned yet.





3. Solutions

3.1 Overview of BCP

3.2 Koranee

3.3 Butter Live



3. Solutions

3.1 Overview of BCP

Block Commerce Protocol (BCP) is Korea's first project that converges social network, live commerce and blockchain. It is to build global network that can create huge added value by combining the strengths of blockchain which is making innovation in the field of social contents, live commerce and finance / fintech.

The representative business models that cooperate with BCP are 'Koranee', an open market platform, and 'Butter Live', a live social contents platform.

Koranee which supports overseas advancement of small enterprises and provides global open market service allows small enterprises, which are main customers of Koranee' to reduce operating expenses and increase efficiency, activating service by making them easily participate in the platform. On the other hand, the problem of crowd funding which unfavorable market environment for purchasers (consumers) is formed due to unclear information on maker products and insufficient verification on products creates an ecosystem that can be beneficial for both service providers and users in Butter Live, a live social contents platform. This platform allows them to advertise their goods through various contents and to have marketing for enhancing brand recognition through BCP. BCP promotes sales through live commerce by providing infrastructure optimized for live streaming through its own high-speed data bus and server. BJs, influencers and celebrities who host liver commerce can receive a certain amount of incentives according to the sales and can have rewards sponsored by viewers at the same time.

<Status of BCP business partners>

1) Korea Digital Commerce Cooperation (KDCC)

KDCC is established to provide online sales opportunity and promote the products of small enterprises by using technology and capital for small enterprises which are having difficulties with capital and technology even with excellent product power

2) Koranee: Open market platform supporting small enterprises

Cross Boarder e-Commerce shopping mall that helps with small businesses and small enterprises to advance to the global market and supports marketing by informing and selling excellent products of Korea

3. Solutions

3) Butter Live: Korea-China live social contents platform

Video-based social contents platform + global live commerce platform: Global live commerce service that allows consumers purchase products through real-time show host broadcasting

4) Salt Pretzel: Global influencer agency

MCN agency that prepares ecosystem of commerce activities for foreign influencers who live in Korea including Chinese Wanghong

5) Selecter 9: Online p2p Car Transaction Platform

Untact car transaction live commerce platform that connects car dealers with consumers and allows used car transactions through mobile

3.2 Koranee

3.2.1 Koranee

The key of 'Koranee', a global open market platform service is to secure data and provide information. There should be utility by information updates from the point of view of small enterprises, the information should be reliable from the perspective of purchasers and the risks such as fraud or bankruptcy after purchasing and funding should be removed through information. And the data monitoring by the third party rather than stakeholders should be made to continuously update sound information. Therefore, Block commerce protocol solves this problem by introducing BCP token economy and NFT concept.

BCT token in block commerce protocol ecosystem is a utility token basically and are used for payment in applications such as Koranee, Butter Live, etc. If consumers want to check product information, they can see them through platform by using BCP token. In addition, crowd funding, payment and settlement will be available with BCP token.

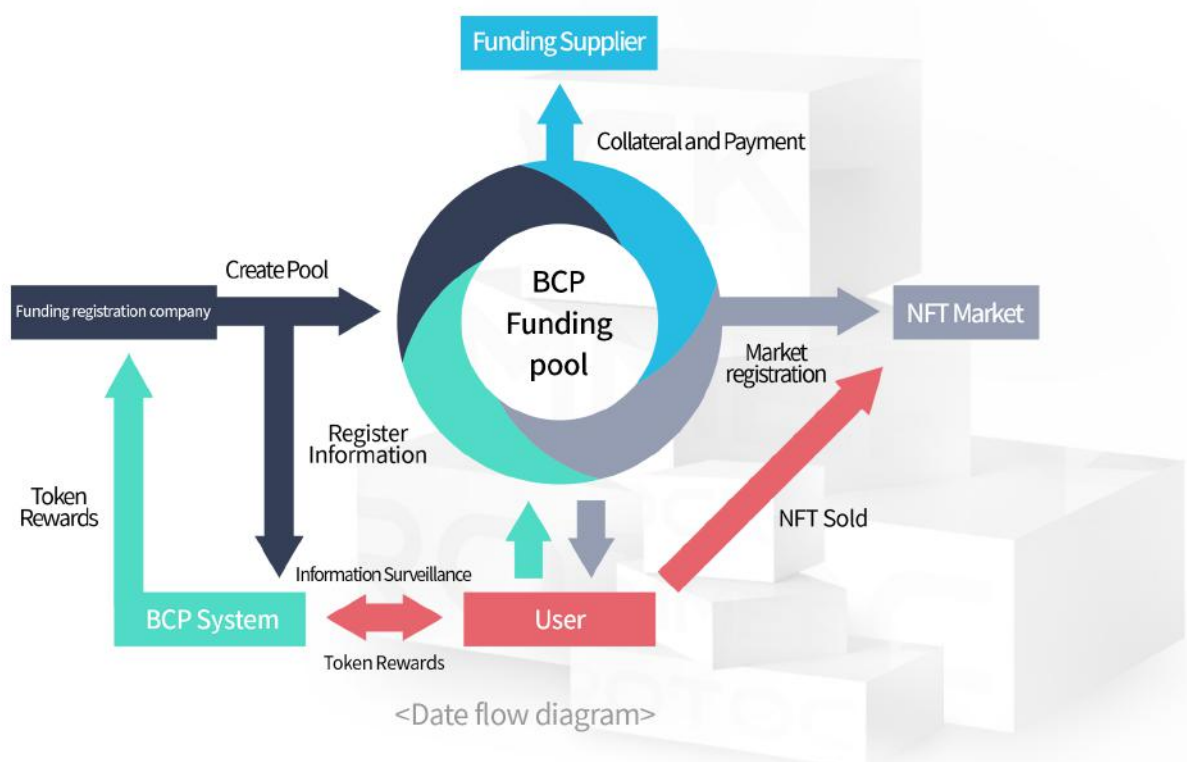
3. Solutions



<Image of Koranee Service>

Product information updates which become the basis of service start by registering of NFT pool which will be explained later. Small enterprise, a core subject of registering funding product information, can create NFT pool along with funding registration and receives BCP token as a reward of providing information from platform whenever basic crowd funding information such as product use in the platform, progress rate of funding, target funding amount rate and supporters is updated. General users also participate in NFT pool generation and information, and they can acquire BCP token rewards from the platform through new registration and information update. If general users filter the information registered falsely, they can get additional rewards.

BCP Funding pool Flow Struture Diagram



<Data flow diagram>

3. Solutions

With crowd funding information registration of consumers and small enterprises and BCP token economy accordingly will make the current information highly reliable, allowing the platform to take a more advantageous position in securing data.

3.2.2 Koranee NFT pool

While information registration mentioned earlier and BCP as a reward have the characteristics of utility token, NFP pool of Koranee is a system that is introduced to allow the raising of more stable crowd funding expenses and protect consumers from any risks such as project bankruptcy. In addition, general users can participate in NFP pool with BCP token, allowing them to acquire a certain amount of interest for contributing to the stable supply and demand of the project.



<Drawing related to funding>

First, small enterprises can register project they want to process with NFP pool by consuming BCP token or registering crowd funding market within the platform. NFT pool is built for smooth supply and demand of construction materials as well as for procurements, and it will be maintained until the registration period is ended. Anyone who has BCP token can participate in NFP pool, and they can receive BCP tokens according to the profit rate occurred after selling and interest rate of pool participated when NFT pool funding is completed.

Small enterprises can reduce the burden on expense procurements by opening registered crowd funding with NFT pool, and users can accept BCP token deposited in NFT pool as a kind of security, protecting themselves from the risk such as bankruptcy in more stable structure.

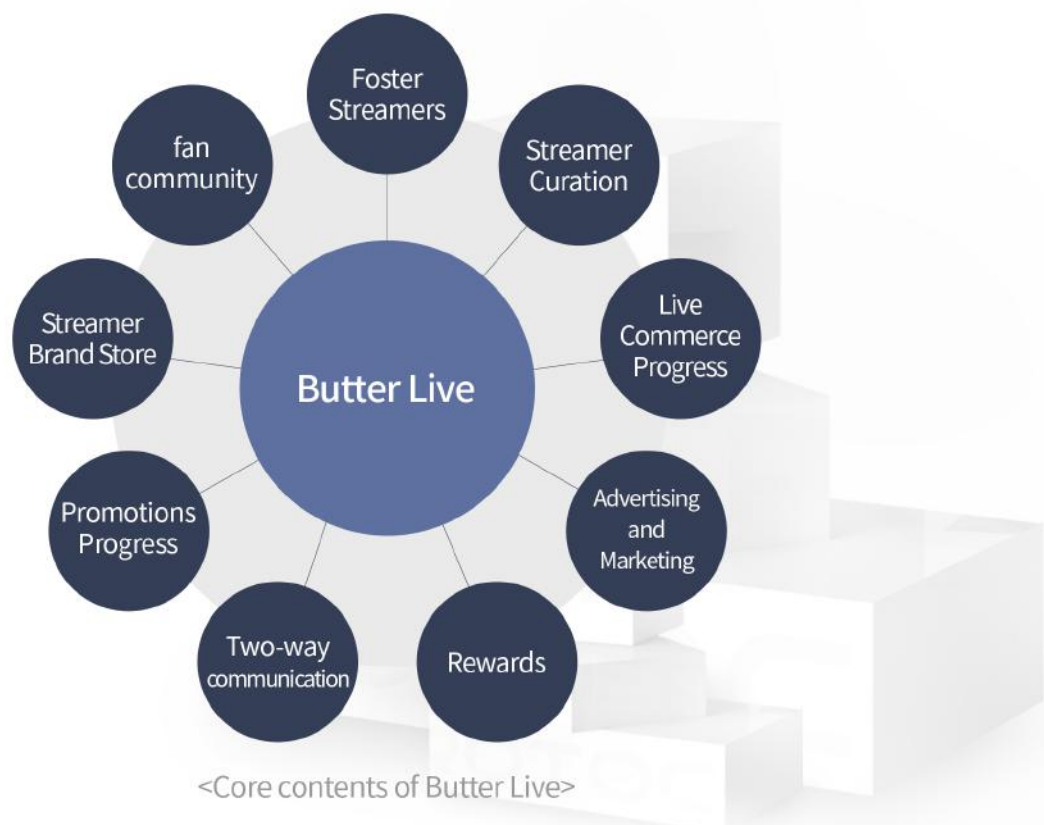
NFT pool will be ended with the expiration of period, and users participated in pool can get BCP interests according to the profits and interest rate of pool occurred. At the completion of NFT, the project is registered in NFT market, and registered NFT can be traded through BCP.

3. Solutions

3.3 Butter Live

'Butter Live', another service of BCP' aims to build platform that adds social contents to live commerce. Butter Live which is a global live commerce platform targeting consumers in Korea and foreign countries with the combination of video-based SNS and live commerce is a global live commerce service that allows users purchase various domestic and overseas goods through real-time broadcasting. If users purchase goods only with the information provided by seller, not seeing the goods directly, there would be several problems such as information about competitors or drawbacks caused by real-time use. Butter Live platform, a live commerce service to supplement this, can be considered as a service that can solve the problem of the current market. BCP token is used to evaluate marketing within the platform and reputations of various sellers, and such token economy can provide more reliable matching system to platform users (purchasing consumers).

In addition, it provides services that can maximize the use of live commerce with various core contents such as culturing streamers, matching and curation of sellers and streamers, live commerce and marketing. Butter Live that adopts all-in-one live commerce take full charge from choosing and culturing streamers to processing live commerce. Sellers can process live commerce to create profits more simply and efficiently than any other channel through curation provided by Butter Live, and fans who follow streamers can promote their fandom through fan community.



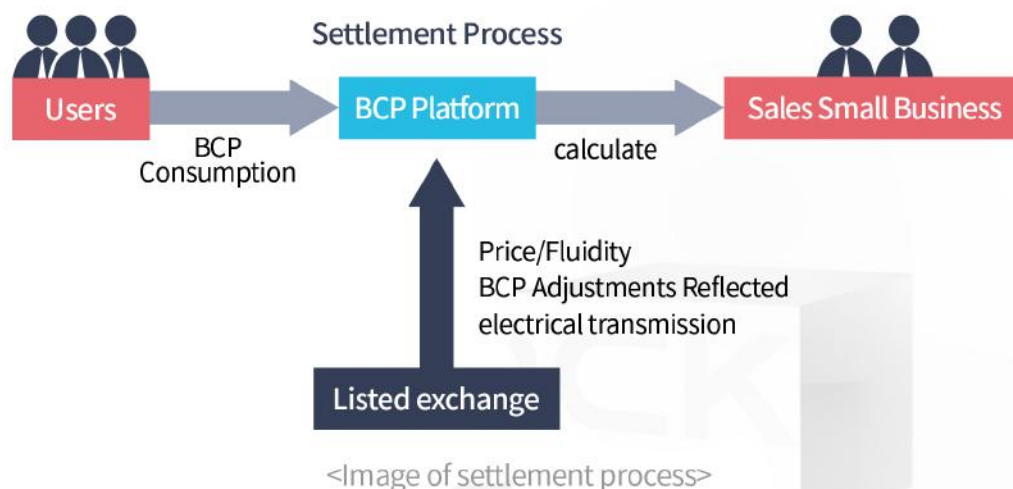
3. Solutions

3.3.1 Place for using BCP token in Butter Live

BCP token basically has a value of exchange for the use of contents in Butter Live platform. Projects that are under real-time broadcasting will be immediately available for funding and purchasing through BCP, and it can be available to be settled in KRW and USDT immediately after payment. If sellers want to broadcast for the purpose of promoting on Butter Live, a certain amount of BCP token is consumed, and if they want to make advertisement or join as premium company, BCP can be a means for payment. In addition, streamers including BJ and show hosts can directly connect to the project they want to fund and use it in their broadcasting.

3.3.2 Block commerce protocol reputation system

Block commerce protocol makes the greatest effort to providing reliable information. From the point of view of users, a company that conducts high quality project should be registered for successful funding. BCP is not just used as utility for simple payment in each platform of block commerce protocol. It is also used as a medium to build project reputation system.



General users including BJ and streamers can share their own experiences with other users by using review and rating system, and the closer user A's rating for a specific company to the final result, the more BCP reward they can get. In addition, other users get help from user A's review on certain company, they can provide TIP rewards. This kind of rating system can make more reliable information to circulate within BCP platform.

3. Solutions

Structural Plot of Rating System



<Rating system diagram>

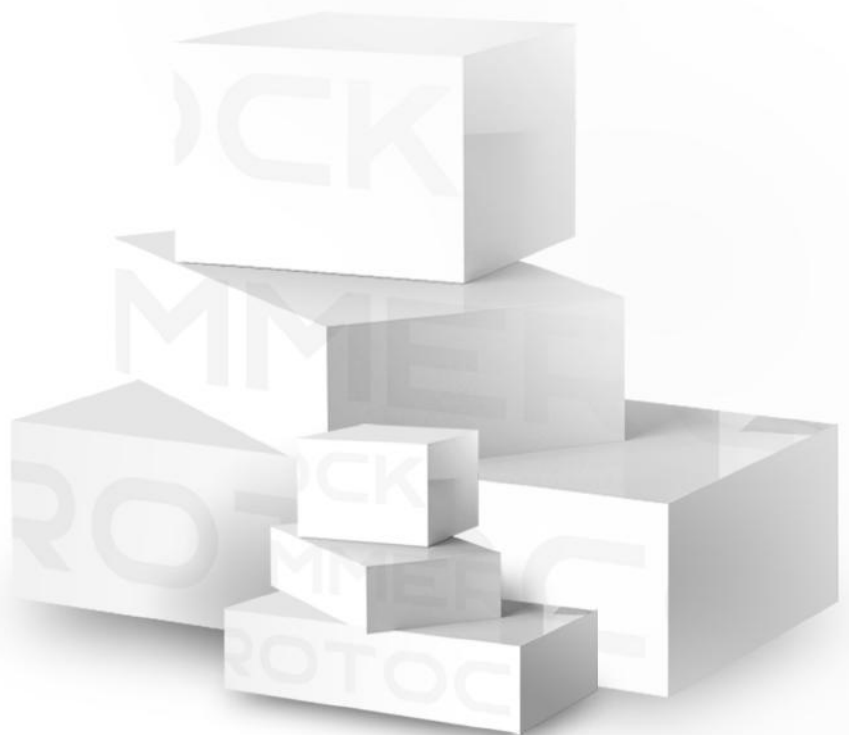


4. Token

4.1 Overview of token

4.2 Function of token

4.3 Value of token



4. Token

4.1 Overview of token

BCP is an Ethereum-based token designed on the Ethereum blockchain, which is used for the utility token for payment within BCP platform (Koranee, Butter live, etc.), NFT pool participation and activation of reputation system. It is mainly focused on activating service ecosystem of BCP rather than simple payment.

Since Ethereum is currently performing key function in entire cryptocurrency ecosystem such as NFT and De-fi, it is adopted by considering its scalability of the platform. Ethereum base would be the most efficient choice for the overall roadmap of BCP such as NFT and staking pool module from the long-term vision.



- **Token Symbol** : BCP
- **Type** : ERC-20
- **Amount issued**
: 1,000,000,000 BCP



4. Token

4.2 Function of token

Main function of BCP is a role as a means of exchange for purchasing various services and goods within platform. It plays a key role in service payment including checking registered information, transmitting crowd funding expenses, using services and registering advertisements. In addition, general users can acquire BCP by registering and filtering information in each service, and participate in NFT pool or use platform services through BCP token.

Integrity reviews and ratings

Product reviews and ratings written within the BlockCommerce protocol platform are stored in the BCP blockchain network. If it is stored as a blockchain, it becomes impossible to modify and manipulate it arbitrarily. It brings transparent information and reliability to users.

Product Specification/Country of Origin

After reviewing the certification information, product specifications, and country of origin of the products sold through information live commerce, synchronize them to the BCP blockchain network. This prevents consumers from buying wrong products or being exposed to false advertisements.

Commodity Unique Tag Index

Products and brand products sold only in the BlockCommerce protocol each index their unique serial numbers into the BCP blockchain network. Through this, all products sold through the block commerce protocol can only be sold with genuine products, and consumers can trust and purchase them.

LiveCommerce Reward System

Rewards given through participating in Live Commerce and various campaigns on the platform are paid through smart contracts in the BCP blockchain network. BCP tokens paid in smart control are distributed fairly and efficiently under reward terms.

Signature Index

In the case of a particular product, influencer's cherished goods, or rare goods through auction, the value of the product is preserved by indexing the manufacturer's signature along with the product into the BCP blockchain network.

4. Token

4.3 Value of token

Block commerce protocol presents the following strategies to increase the demand of BCP token and continuously maintain its value in the following directions:

4.3.1 NFT market

The market operation will be introduced by making registered crowd funding project into NFT. It will provide various benefits such as discount on services provided in the project and the platform through NFT in the future, focusing on increasing the value. As project-based NFT and its additional benefits are expanded, it is expected that NFT users will be increased and the market will be activated.

4.3.2 Koranee NFT pool

Koranee NFT pool is designed to reduce the risks of project teams that have difficulties in securing funds and users who have risk factors such as bankruptcy of project. When a project company creates NFT pool, users can check the period funding and interest rate of NFT Pool set by the company and deposit BCP token. The suppliers can accept deposited amount in NFT pool as a kind of security. BCP believes that NFT pool can become a system that allows win-win relationship of users and projects.

4.3.3 Butter Live Marketing

BCP is used for marketing payment (registering as premium company, site banner) in Butter Live. As the platform becomes active, the demand for BCP will be increased and this structure is one of plans that can continuously increase and maintain BCP.

4.3.4 Block commerce protocol Reputation system

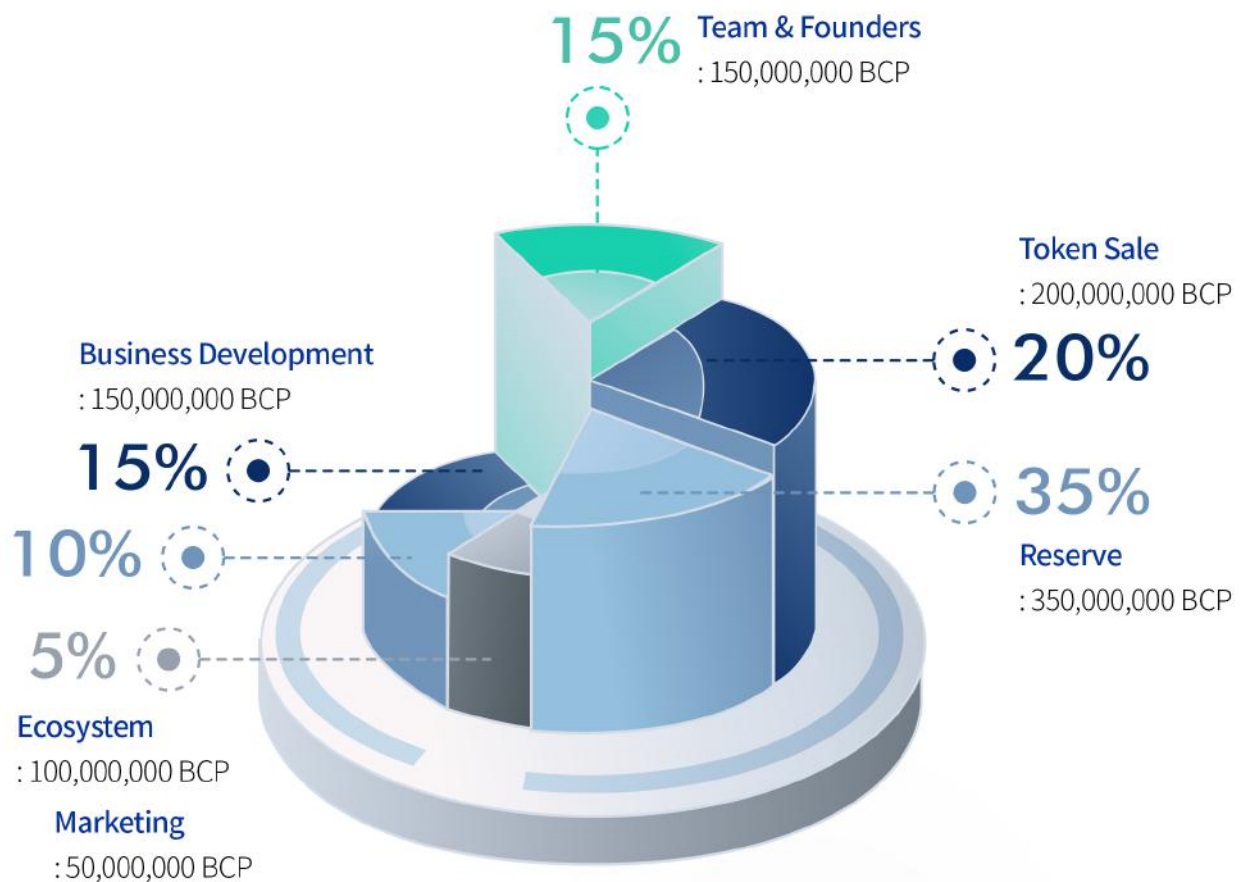
The part BCP has expected and concerned the most when introducing blockchain system was the improvement of data reliability. As a part of this, BCP introduced the reputation system, and users can acquire and consume tokens while updating project data and evaluating project companies in the platform. BCP can be continuously acquired and consumed in this cycle of evaluating data reliability and it exercises its function.



5. TokenDistribution



5. TokenDistribution



- **20% Token Sale** : 200,000,000 BCP
- **10% Ecosystem** : 100,000,000 BCP
- **15% Business Development** : 150,000,000 BCP
- **15% Team & Founders** : 150,000,000 BCP
- **5% Marketing** : 50,000,000 BCP
- **35% Reserve** : 350,000,000 BCP



6.

Teams/Advisors

6.1 Block Commerce Protocol team

6.2 Block Commerce Protocol star advisors



6. Teams/Advisors

6.1 Block Commerce Protocol team



Kwon Jun Seok CEO

- BCP CEO
- SUNHU CEO
- KorCL Entertainment CEO



Lee Sun Ho CMO

- BCP Marketing General Manager
- Eunho Holdings CEO
- Mirae Industrial CEO
- OK Wave English CEO



Kim DongGuk CTO

- AREX Company Development General Manager
- Chief of development at Might Labs
- Durion Project Manager
- Alpha Sequence Development Team Leader

6.2 Block Commerce Protocol star advisors



Mr. Boombox STARADVISOR

- KOREABEATBOXCHAMPIONSHIP Founder
- Winner of the 2019 Korean Wave Hip-Hop Culture Grand Prize "Beatbox of the Year" Grand Prize
- Mr. Trot Bitbox + Trot Genre Pioneering Top 30 People
- MBN Lotto Singer TOP12 Selection



Lee Shin-joo STARADVISOR

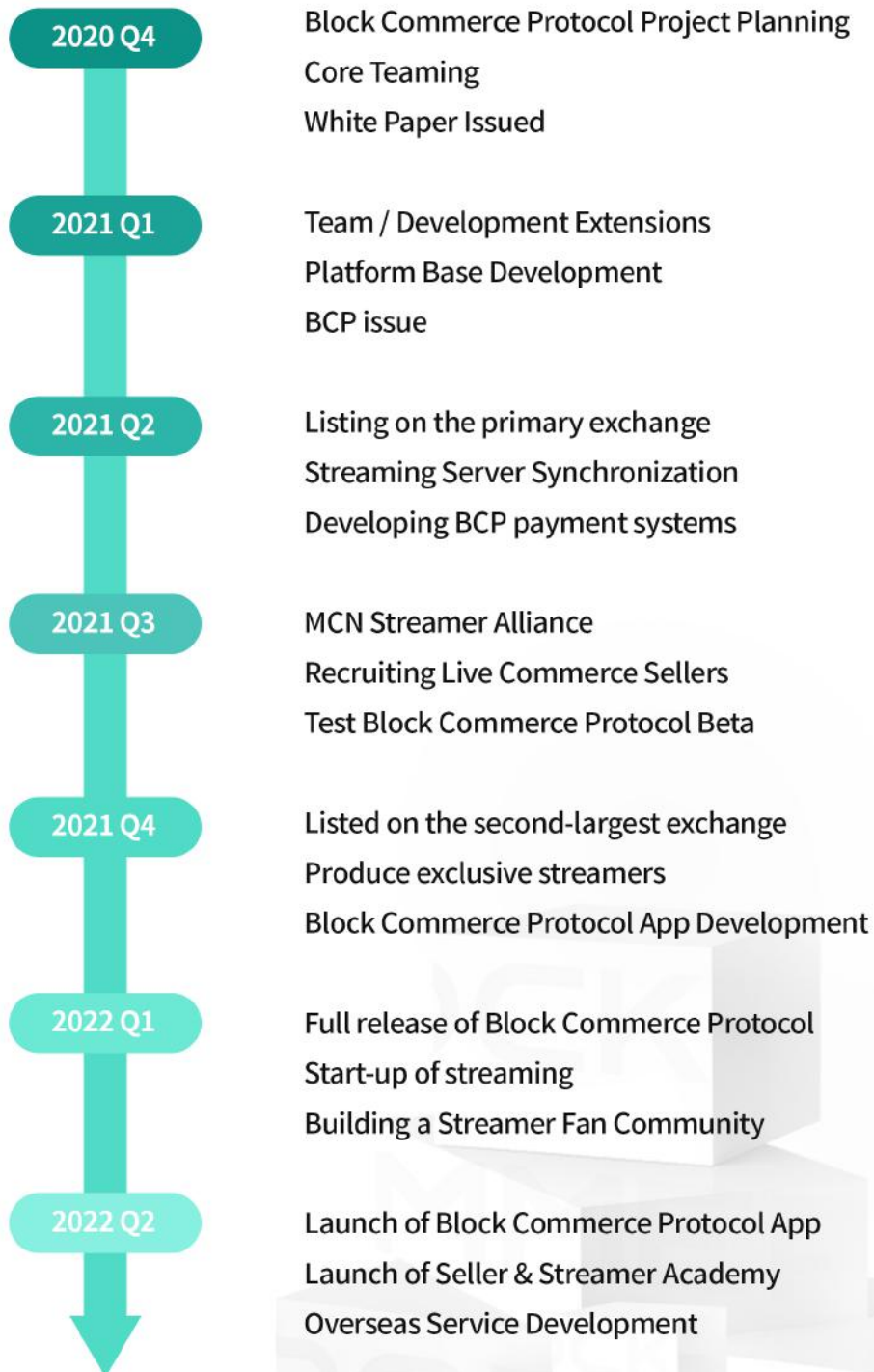
- The leader of girl group 'Fighting'
- One-man broadcasting creator/content producer
- BIGOLIVE TOP BJ
- Live Commerce influencer



7-9. Roadmap, Partner, Escape clause



7. Roadmap



8. Partner



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9. Disclaimer

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Block Commerce Protocol

BCP

Blockchain Live Commerce