

# VQ-Labs

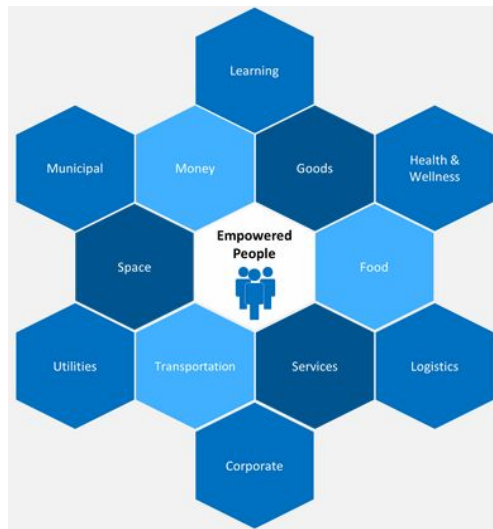
## Very Quick Access to Anything

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### Abstract

VQ Marketplace is a platform that allows entrepreneurs, creatives and businesses to build marketplaces, with a focus on the on-demand sector. The platform enables buyers and sellers of goods, services and spaces (car-sharing, service-based tasks, home-sharing etc. but also traditional B2B marketplaces) to connect and transact. Furthermore, We create VQ Ecosystem of Marketplaces that concentrates on boosting Network Effects between different stakeholders in the Ecosystem.

### The rise of the Sharing and On-demand Economy



Due to limited resources, people are now striving to create sustainable solutions which generate not only economic prospects, but true value for both users and providers alike. The two main foundational aspects of the Sharing Economy are: the conversion of idle assets into economic opportunities, and the building of communities through the sharing of goods and services amongst one of more entities. Since its inception, the Sharing Economy concept has rapidly spread across the globe, in large part due to innovative SaaS (Software-as a-Service) solutions and the ever-growing globalization of communication platforms. This shift in economic structure has resulted in the creation and overwhelming success of several online marketplaces, spanning a wide variety of sectors, in an

attempt to meet the accelerating demand. One such example is Airbnb, a peer-to-peer accommodation platform created in 2008, which had a reported value of roughly \$30 billion in 2016. Shortly thereafter Uber, a personal taxi service, was launched and now has a reported value of over \$68 billion.

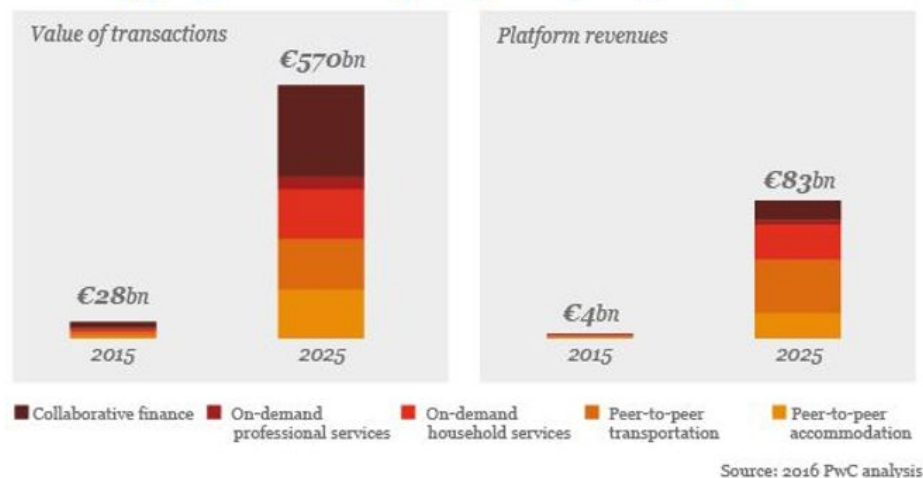
This shift has been noticed by everyone from small start-ups to globally established corporations; resulting in a need for efficient online marketplaces, which seamlessly combine supply and demand in one platform. However, the creation, implementation and maintenance of the aforementioned software is no easy task. It requires a substantial amount of time, and a very specific skill set, which can be cost prohibitive for new and smaller companies to create and sustain.

## The future of the Sharing Economy

The value of sharing is an inherent trait in human nature, our technology system will enable users to raise it to a new level. The Sharing Economy has the potential to address global issues such as: the unsustainable growth of cities and their required resources, poverty, and the degradation of community values.

From a purely financial point of view, the Sharing Economy is projected to undergo exponential growth and generate a transactional value of \$570 billion by 2025. With the growth of newly emerging online marketplaces, the market will experience a decentralization, further facilitated by Blockchain technology.

**Revenues and total transaction value facilitated by sharing economy platforms in Europe by sector, 2015-2025**



VQ Marketplace recognizes the potential of growth and the positive outcomes which can be achieved through the Sharing Economy. By enabling the creation of online-marketplaces for anyone in seconds, we empower entrepreneurs to turn their ideas into reality, helping them realize their full potential while also aiding in the development and success of the global economy.

## Our vision is to develop solutions that allow people to access goods or services without the need to own them.

We believe anyone should have quick access to anything. The Sharing Economy will play a major role in the sustainability and success of societies social and economic development by replacing 'ownership' with 'access' through peer-to-peer and on-demand platforms. We strive to further increase its effect by decentralizing the Sharing and On-Demand Economy. Our solutions will allow to bring people together and for them to interact and share with one another without the need for an intermediary. Anyone with an idea will be able to start an online marketplace and this democratization process will lead towards a more sustainable future by contributing to the social and economic growth of societies.

## Common problems faced by new online marketplaces (OMp):

- Creating an OMp requires technological know-how & time. People usually lack one/both, and often do not possess the financial resources pay for professional assistance.
- People prefer to start with a simple, but well-functioning solution in order to validate their idea. This allows them to build a solid user base prior to investing large amounts of money.

## Entrepreneurs need a Minimum Viable Product with the potential for growth

**Entrepreneurs need to validate their ideas** prior to investing significant amounts of money. This demand for Sharing Economy platforms can be seen in various sectors, to include: logistics, transportation, aerospace, corporate and many others. To meet the growing demand and enable entrepreneurs to quickly obtain a Minimum Viable Product (MVP), we built a marketplace platform that can support exchange and rentals of goods, services and products.

A crucial component to starting and maintaining a two-sided marketplace, is the efficient management and balance of supply and demand. Our aim is to provide marketplace owners with a **smart analytics dashboard**, allowing them to gain a deeper insight of their users and their respective actions. This is an invaluable tool for their marketing and sales purposes, as well as for business development.

## Boosting Network Effects in the VQ Marketplace Ecosystem

A network effect (also called network externality or demand-side economies of scale) is the positive effect described in economics and business that an additional user of a good or service has on the value of that product to others. When a network effect is present, the value of a product or service increases according to the number of others using it.

“Once you’ve built a strong network effect, it’s really difficult for others to compete with you.”, says James Currier from NFX Guild.

In the following, an overview of relevant network effects are discussed.

## Protocol Network Effect

A Protocol Network Effect arises when a communications or computational standard is declared and all nodes and node creators can plug into the network using that protocol. Bitcoin and Ethereum are recent examples of protocol networks. The protocol setter can be either an individual company, a group of companies, or a panel.



*Protocol networks coalesce around communication and computational standards, which form the basis for the links between nodes (e.g. Bitcoin miners and Bitcoin wallets).*

Ethernet is another, more traditional, example of a Protocol Network Effect. When Robert Metcalfe founded 3Com, he persuaded DEC, Intel, and Xerox to adopt Ethernet as a standard protocol for local computer networks, with a standard speed of 10 megabits per second, 48-bit addresses, and a global 16-bit Ethernet-type field. Competing proprietary protocols existed, but as Ethernet pulled away and began to capture more and more market share, Ethernet-compatible products flooded the market. This increased the value of Ethernet at a compounding rate and decreased the value of competitors, regardless of their relative performance. Soon, ethernet ports became standard features of all modern computers.

Once a protocol has been adopted it is extremely difficult to replace. Note how the fax protocol is still in use, or the TCP/IP protocol (even though other, better protocols now exist for those purposes).

It's also true that the protocol creator doesn't typically capture most of the value from the development of the network, as they normally do with other direct nfx.

This distribution of value in a Protocol Network can be shifted if the protocol creator can maintain ownership of a significant percentage of the tokens within a token-enabled network, or maintain central control over addressing, identity, wallets, naming, or prioritization and still get the network to adopt the protocol.

The success of such an adoption strategy is often less about technology and more about marketing, social engineering, and choice of market niche. That's why VHS beat Betamax, even though Betamax was arguably a better standard. It's also part of why Bitcoin has taken off as a digital store of value, when it is costly to operate and less transactional than many other digital currencies.

(Source: <https://www.nfx.com/post/network-effects-manual#protocol-direct>)

### Market Network Effect

A Market Network combines the elements of **a professional network, an online marketplace, and a SaaS tool all in one**. As a result, its network effects and defensibility are more powerful than that which any of the three elements would provide alone. At the core no marketplace is not as defensible as other marketplaces combined due to the significant multi-tenanting on the supply side, so there was a drive for scale and deepening the network effect.

(Source: <https://www.nfx.com/post/network-effects-manual#market-networks>)

## VQ Marketplace Platform

Our mission is enable everyone to create and operate an Online Marketplace

- A cloud based platform which enables users to easily start, build and manage their marketplace.
- Create a Minimum Viable Product (MVP) at zero-risk: People have free access to a fully functional marketplace with the necessary features to allow for quick market entry, and idea validation, prior to the further development and growth of the marketplace community.
- Open source code and licence to build custom solutions based on the platform.
- The first end-to-end marketplace platform bridging the gap between the fiat and crypto-based payments.

## VQ Ecosystem of Marketplaces

Our mission is to connect people and give them a Quick Access to Anything

VQ LABS identified and will implement network effects early on and will leverage them to build strong supply and demand side, to incentivize growth and introduce defensibility in its ecosystem.

### Marketplace Unions

In the VQ Marketplace Ecosystem, suppliers who posts listings on one Marketplace, will be able to publish their listings automatically on other Marketplaces in the same vertical that are part of the Marketplace Union. Apartment rentals, services and ride-sharing marketplaces are examples of possible verticals.

The incentive for existing marketplaces to join the union, is to gain access to much bigger user base (namely of all of the marketplace owners) than they currently have.

For new marketplaces to join the union, the process of creating a new marketplace needs to show the following characteristics:

- It must be risk-free and not involve big upfront investment
- The start of the Marketplace needs to be easy and quick
- It must not involve technical expertise, at least at the beginning
- There is an existing user base

We will create initially predefined unions for every marketplace vertical where new marketplace owners will be able to join without restriction and operate their marketplaces in a new geography with a differently designed user application/storefront or offering better fees.

Every marketplace joining the network thus increases the value for the end-consumer and every consumer creates more value for each Marketplace participating in the union.

## **Single User Identity and Seamless access to Marketplaces**

In the Ecosystem, every user in the marketplace will have one global account instead of many separately for each marketplace. In this way, the customer will be able to use every marketplace vertical seamlessly. Imagine AirBnB (Rental Marketplace), Uber (On-Demand Taxi Marketplace), Amazon (Product Marketplace) in one Network. Every user that comes to the ecosystem profits from a spectrum of all the different marketplaces offerings combined without the hurdle of having multiple accounts / identities.

## **Connecting Suppliers on a Marketplace and Marketplace Unions**

We will create a community approach on the supply side on every Marketplace. When a service provider gets a deal, they can source help from other people on the platform and join forces with them. Suppliers will be able to form teams. The Supplier teams will give the following advantages:

- Handling requests together or per individual availability.

## **Marketplace of Marketplace Templates - Copy Marketplaces seamlessly in the Network**

We will start a Marketplace of Marketplace Templates. It will allow to start a copy of predesigned or already existing marketplace platform in seconds. Everyone will be able to create a template for configuration utilizing our standards and protocols. It should lower the hurdle of starting a new marketplace, incentivise to transfer existing business model in a new geography, form local markets and increase the competitiveness in the market. The Marketplace operators own their brand, but the marketplace infrastructure is intended to be a public good.

## **Single and global reputation in the network**

VQ Ecosystem of Marketplace will integrate with a global decentralized Reputation System based on the [Ink Protocol](#).

Read also:

<https://medium.com/vq-labs/boosting-network-effects-in-the-vq-marketplace-ecosystem-4363e23ff48c>

## **VQM Token**

Furthermore, we plan to utilize the Ethereum platform, the leading cryptocurrency platform that enables smart contracts to execute on the blockchain to further enhance the network effect of the “VQ Ecosystem of Marketplaces”:

VQM Token will be used in the VQ Marketplace Ecosystem as means of payment for subscriptions to the service and profit-sharing for the token holders.

## Referrals

Each marketplace will be part of a VQ Referral program. VQ will offer 70% of the subscriptions received from running the marketplace as potential reward for people who promote the marketplace. This will create a network of marketplace ambassadors and will boost the network effect around the marketplace.

- Growing marketplaces will have less costs in running the technology
- High-Quality Niche Marketplaces will have an additional promotion channel

The referral reward will execute automatically as a smart contract on the Ethereum Network.

## Subscription to the Service

Subscriptions to the VQ Marketplace Service can be paid in VQM Tokens. If the token is used, its value will automatically be pegged to the respective amount in EUR adding a prespecified discount. The percentage of the discount will be determined at a later stage.

VQ Marketplace subscription consists of two parts: fixed amount and the pay-as-you go rate per usage (e.g pro user).

## Revenue-Sharing

VQ Labs will systematically burn / destroy 50% of the tokens that have been received as subscriptions to the Service. Each buy-back will decrease the available supply of the token, thus increasing each holder's percentage of ownership. It will be up to the holder of the token if he should sell or hold the increase in relative ownership.

This mechanism of subscription revenue sharing has the following advantages:

- **No transaction costs** - Instead of many small transactions to every token holder separately, we need just to conduct few transactions on exchanges to purchase the required amount of the token to be burnt.
- **No profit-sharing with exchanges** - Many token holders store small and medium amounts of tokens on exchanges on a custodian address. There is a risk that unaware holders of exchange may not distribute the profits to the token holder.
- **Regulatory safety** - if VQM token was associated dividend-like profit-sharing, it could be assumed as a security by regulators and have a more difficult path to be listed on popular cryptocurrency exchanges.



## Marketing

**Our target group** are entrepreneurs and small business owners who want to quickly start their own online marketplace, in order to validate their ideas, in the most cost-effective way possible. Ideally, they are between 24-44 years old, and have insufficient technical skills to start their own marketplaces in a very short time at an affordable price.

**Our marketing strategy:** We carry out both online and offline activities.

Main online activity involves content marketing. Content Marketing is centered around Marketplaces, Network Effect and Sharing Economy and the current “hype” on the market (must be connected loosely to the above stated topics). The promotion of this content is done in various interest groups on Reddit, Telegram, Medium, Quora and Facebook Groups.

Offline activities include organising technical meetups centered around starting an online On-Demand platforms and networking events for Blockchain enthusiasts.

**Our pricing strategy** follows our mission that everyone should be able to start their marketplace freely:

- *Freemium Package:* targets people who would like to have an MVP that will enable them to go to market fast and validate their ideas. The freemium package is valid up to a certain number of users on their marketplace platform.
- *Traction Package:* targets people who have already validated their ideas and achieved the product/market fit. It costs 249€ per month.
- *Growth Package:* is aiming for marketplace owners who would like to build their brand and improve their business by having a deeper insight into their users. It costs 699€ per month and 0.05€ per month per user.

## Our value lies within the risk-free factor

We believe that it is important for entrepreneurs go to market with an MVP and test their idea before they build a platform that might not meet any demand. We understand their validation process may take some time and take substantial resources, even with already developed marketplace. Our competitive advantage is our risk-free offering. In this way, entrepreneurs do not have to feel time-restricted and do not pay any upfront cost. Instead they effectively build and develop their platforms with the feedback from their users by taking zero risk.

## Current Technology Stack

VQ Marketplace is an open-source platform consisting of many micro-projects and is built on top of several existing open-source libraries and protocols.

### **VQ Marketplace Platform**

The platform is used for running Sharing Economy and On-Demand Marketplace Back-Ends. It supports multi-tenancy and multi-applications. The supported resources include users, listings, listing requests, orders (transactions), reviews and reporting. The Platform follows RESTful standards of data exchange to allow easy and fast integration with third-party providers.

MySQL is the database of choice for VQ Marketplace Platform. Files, images and similar assets are persisted in AWS S3 buckets.

The platform integrates with Stripe - a global payment provider for fiat currency and Mandrill - a Mailchimp Service for E-Mail sending automation.

VQ Marketplace Platform is as a centralized server application build with NodeJS.

### **VQ Marketplace Web Storefront**

The Storefront can be used to connect any marketplace running on VQ Marketplace Platform. It is build with a JavaScript Framework: ReactJS.

### **VQ Marketplace Landing Page**

The Landing Page is a client component serving landing pages. It is a separate component with the purpose to enable a smooth indexing by Search Engines and increasing the score of the marketplace in the Search Results.

### **VQ Marketplace Admin Panel**

Admin panel gives insights into user and transaction data on the marketplace, allows customizing and management of the Marketplace.

## Roadmap

2017-Q1 - Market research

2017-Q2 - Proof of Concept and Start of Service Marketplace based on the VQ Marketplace Platform

2017-Q4 - Beta release of the VQ Marketplace Platform with 1 vertical: Services

2018-Q1 - Beta release of additional Marketplace Verticals: Products, Rentals, Exchange and Digital Goods

2018-Q2 - End of Beta and Launch of Stable VQ Marketplace Platform

2018-Q2 - Start of Template Marketplace

2018-Q2 - Whitepaper preparation

2018-Q3 - Implementation of tools boosting Network Effects among Suppliers

2018-Q3 - Implementation of tools boosting Network Effects among different Marketplaces in the Network

2018-Q3 - Legal framework for organising an ICO

2018-Q3 - Whitelisting for ICO-Presale starts

2018-Q4 - Proof of Concept: Start of the first Marketplace Vertical

2019-Q1 - Marketplace Unions Launch with 1 Vertical (Services)

2019-Q1 - ICO (Initial Coin Offering of VQM Token)

2019-Q2 - Additional Vertical for Marketplace Union (Rentals)

2019-Q3 - Additional Vertical for Marketplace Union (Products)

2019-Q3 - Smart Contracts for Revenue Sharing and Referrals Functionality

2019-Q4 - Global users Rating and Reputation across the Network

2019-Q4 - Single User Identity in the Network

## Our Partners



Innowerft is our strategic partner and also a significant shareholder. InnoWerft is the first key partner/investor and are constantly helping us in business development. FZI is a research institute for applied research in computer science from Karlsruhe.

## Get in touch with us:

You can find our products on: <https://vqmarketplace.com>

For more information about us, please visit our website: <https://vq-labs.com>

Or send us a message at: [info@vq-labs.com](mailto:info@vq-labs.com)