



MAMMOTH MEDIA

## Team 5 - Tokenization

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# *Executive Summary*

**Client Request:** Market research and analysis of web3 companies that have integrated a utility token, focusing on the utilities and tokenomics model. Conceptualize a tokenomics model that could be implemented on top of the VTAGZ SaaS platform.

**Proposal:** Seamless e-commerce integration and a token tier system

**Reasoning Behind Proposal:** A key enabler for a successful rewards system tokenomics model requires low barriers to entry and encouragement to stay within said system.

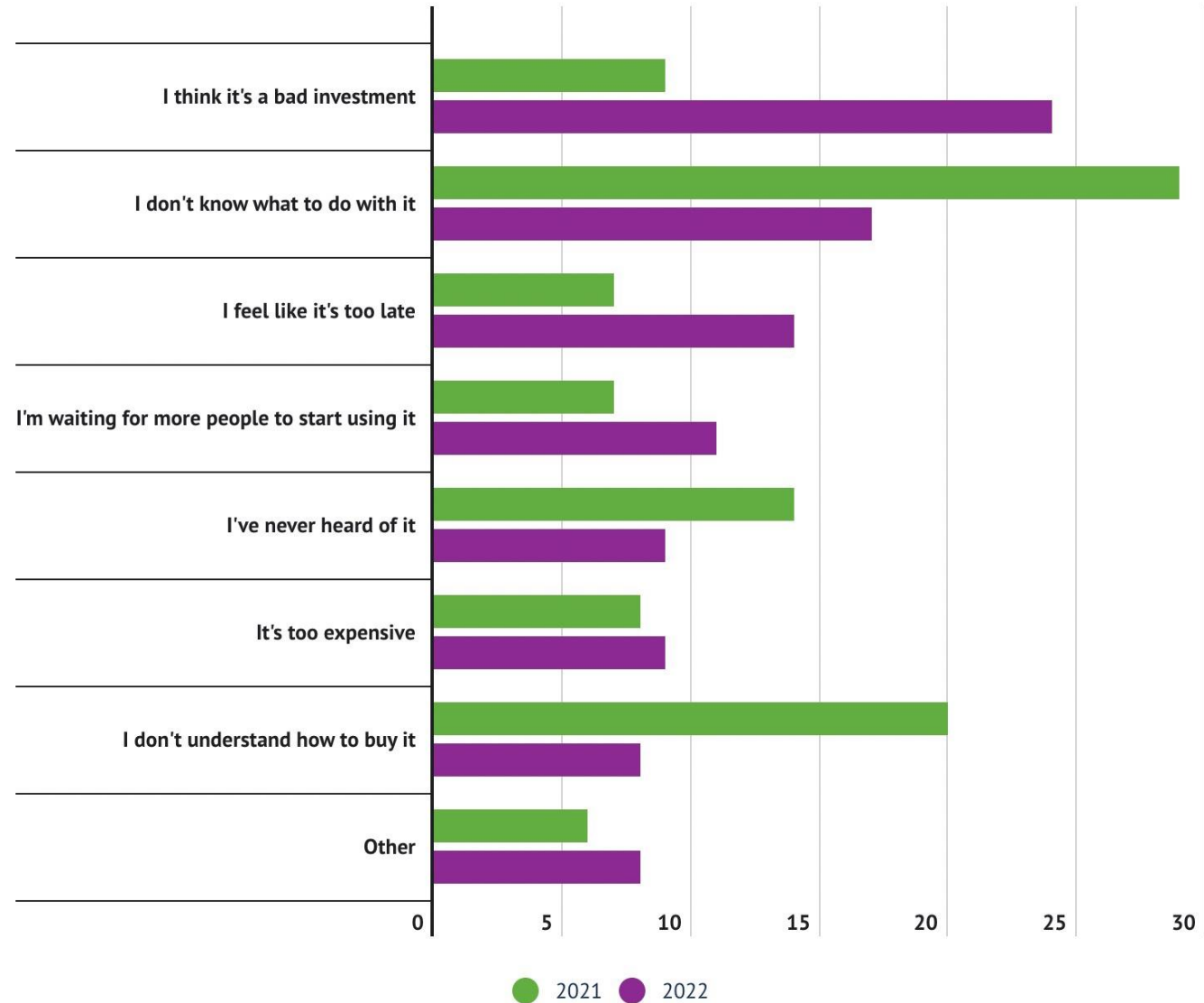
**Notable Research Leading to Proposal:**

- Competitor research
- Coupon usage research
- Crypto and rewards research

56% of American adults (145M) own or have previously owned cryptocurrency

61% would consider owning a credit card with crypto rewards

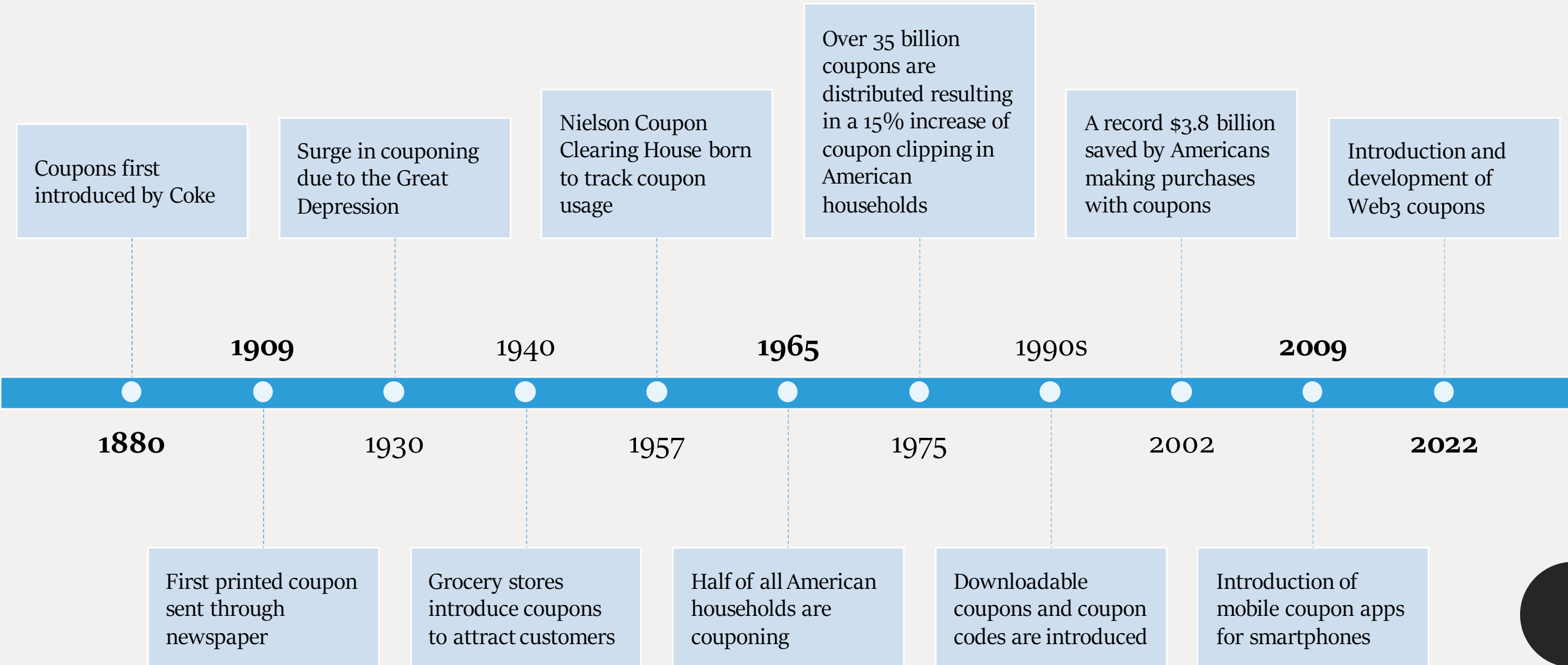
## What's the main thing preventing you from buying cryptocurrency?



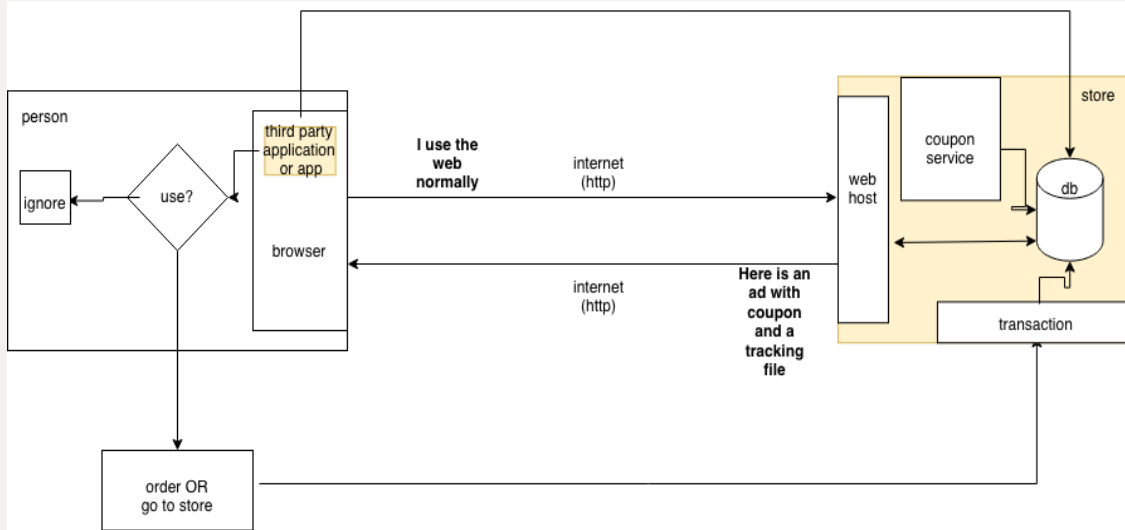
*Our research, on surface, analyzes the history and next steps of tokenization*

- 1. Historical Tokenization Models*
  - 2. Competitor Research*
  - 3. Potential Uses for Utility Tokens*
  - 4. Risks / Mitigation*
- 

# *Coupon progression is exponential, not linear*

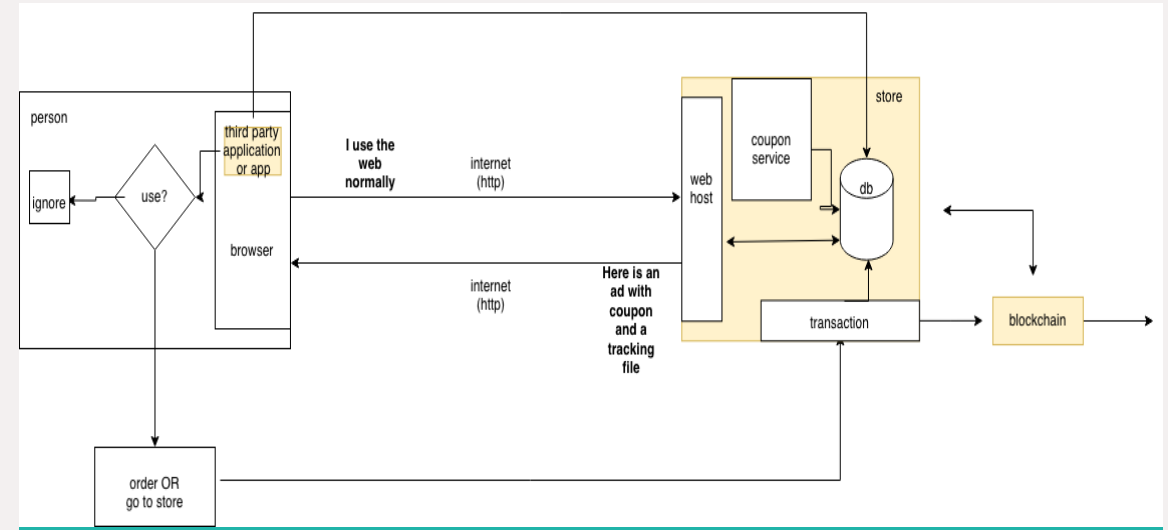


# Web2.0 and Web3.0 changed how we interact with coupons



## Change in Web2.0

- ✓ Personalized customer experience  
Enabled by the digitization of everything and the rise of mobile
- ✓ Closed loyalty ecosystem  
Loyalty structure has been controlled by the sponsor brand
- ✓ In-app based rewards  
In-app, paid with a tokenized card on file, and points are in the loyalty account



## Change in Web3.0

- ✓ Ownership on tokens/NFTs  
Consumer has undisputed ownership over a wallet's underlying tokens/NFTs
- ✓ Interoperable loyalty ecosystem rule  
Redeemable for physical goods, traded for digital items
- ✓ Portable value in rewards  
Enabling voting on brand decisions closest to customers' hearts

# *Competitor Research*





In-store Marketing

NEPTUNE RETAIL SOLUTIONS<sup>™</sup> STARLITE MEDIA FREEOSK<sup>®</sup> STINGRAY ALL GOOD VIBES vibenomics Vestcom Grocery TV

Quad88 Quotient MILLER ZELL NRS DIGITAL MEDIA CATALINA STRATACACHE

In-store Displays/Packaging

BISH CREATIVE INNOVATIVE marketing solutions GREAT NORTHERN instore

Cooler Screens bay cities<sup>®</sup> FINEMARK WestRock

Augmented Reality

MARXENT 3D CONMERCE

threekit

Digital Shelf Optimization

OneSpace channeladvisor dataimpact by Nielsen Profitero

convert group ChannelSight CommerceIQ SALSIFY Syndigo

Ecommerce Platforms

instacart mercatus<sup>®</sup>

ocado MY CLOUD

Digital Circulars

DESIGNHOUSE KARGG ShopLiftr flipp

webstop CATALINA SMARTLY.IO

Virtual Reality

PERFORCE Citru ReadySet

GRAVITY JACK

Retailer/CPG Loyalty

APP CARD dunnhumby ebbo Brandmovers<sup>®</sup> capillary

ANNEX CLOUD Loyalty Experience Solution SNIPP<sup>®</sup> session

Influencer Mktg

GRIN #paid Quotient IZEA

shespeaks Influential breaktime

Consumer Promotions

REALTIME MEDIA SNIPP<sup>®</sup> jebbit

Brandmovers<sup>®</sup> shopkick 360insights FANDANGO

INMAR intelligence 3 tier logic ibott Talon.One cliffedge

Shopper Insights

dunnhumby RETAILAWARE Meltwater

NielsenIQ Premise cardlytics MOAT KANTAR

comscore VERICAST Birdzi SNIPP<sup>®</sup> IRI

Load-to-Card Tech

Quotient INMAR

I.Me.Mine

Promo Optimization

ADSTA Adobe McKinsey & Company

thrive REVTRAX EVERIGHT

dunnhumby CPG

Rewards Platforms

TANGO dja

CARD BLACKHAWK NETWORK

TREMENDOUS

Receipt Validation

SNIPP<sup>®</sup> MICROBLINK

klippa Ourcart

Place-Based Out of Home Media

PLACE EXCHANGE volta

Quotient AdQuick Clear Channel Outdoor

VISTAR MEDIA JCDecaux

Advanced TV

CADENT Basis Technologies mntn

ADVANCED TV agility

Shoppable Media

chicory Swaven

ADADAPTED smart commerce

Location-Based Marketing

GroundTruth FOURSQUARE agility

inmarket konnecto PlaceIQ

Shopper Agencies

SparkShopper! UPSHOT B. mirum CRK Growth Knowledge RSM

pep 3451 MERKLE VERICAST skai VMLY&R tpn+ ALCON GEOMETRY

Quotient THREEFOLD shoptology m amp agency Tracy Locke

THE MARS AGENCY integer Catapult. Undertone Anthem Branding mosaic TMP

Retail Media Platforms

CitrusAd instacart Adobe

SWIFTLY kevel MOLOCO

INMAR intelligence Quotient zifcha

Retail Media Networks

amazon Walmart Connect DCM Best Buy. Ads

Kroger PRECISION MARKETING LOWE'S ONE ROOF CVS Health. ROUND

Payments Media Networks

cardlytics triple

value dynamx SNIPP<sup>®</sup>

Demand Side Platforms

exandr amazon criteo MediaMath mediaocean theTradeDesk

AMOBEE Basis

Consumer Engagement Platforms

moengage emarsys

Personalization

Amplitude bloomreach monetate

sitecore Bluecore



*Web3.0 loyalty platform on blockchain where users shop-to-earn crypto and redeem their utility tokens and NFTs for rewards*

**Differentiating Factors:**

1. Partnership with VISA promotes rewards on credit card transactions
2. External Profit Reserve attempts to resolve conversion of Web2.0 revenues to Web3.0 assets
3. Normal Members vs MOONers
4. NFT Card Categories for “Boosting” Transactions

<b>PROS</b>	Fully immersed and devoted to idea and expansion of Web3.0	\$STE & \$NEXT tokens adopt same idea as \$GFTY tokens as utility	Uses Binance Smart Chain with Ethereum Virtual Machine compatibility
<b>CONS</b>	May not be adoptable by majority of population	Vulnerable to volatility of crypto market and future regulation	Slow reward redemption with affiliates

**How can Mammoth benefit from what ShopNext provides?**

*ShopNext has built a platform that Mammoth can emulate. They have the same ideology of attempting to gamify shopping and transactions by providing tokens and rewards for a minimal fee. The use of both BSC and EVM allows for a wide user base and new utility coins.*



*Web3.0 platform focused on customer loyalty and rewards with an emphasis on receipt processing to earn cash back*

#### **Differentiating Factors:**

- 1) Creation of the Payments Media Network (PMN) based on SKU level data giving all parties benefits of transaction
- 2) Desire to incorporate machine learning into retail data through SKU level identifiers
- 3) Market leader in coupon processing and brand based data gathering for

<b>PROS</b>	PMN between brands, retailers, and banks access data without PII or PCI	Segmented divisions dedicated to specific functionality	Experience with larger brands for growth into mainstream market
<b>CONS</b>	Just started working with Bitcoin	More focused on "cash back" model rather than "coupon" model	Does not embrace "Influencer" or "Ambassador" model

#### **How can Mammoth benefit from what SNIPP provides?**

Work with an established platform that is beginning to embrace crypto in the most conservative way possible which may attract consumers who are hesitant to adopt this new means of transacting



*Web3.0 based platform with multiple websites each focusing on separate portions of the coupon market with slow crypto adoption*

#### **Differentiating Factors:**

- 1) Reviews, coupon codes, product pricing and creator offers combine to make a powerful ecommerce engine with Web3.0 financial tenets
- 2) Introduction of Favely promotes a shift to "ambassadorships" via social media
- 3) Large customer base that uses verified coupons for most ecommerce transactions

#### **PROS**

Many different options depending on how customer wants to find discounts

Appeals to majority of consumers with verified products and no data gathering

New movement to focus on social media and ambassadors

#### **CONS**

Claims Web3.0 but no use of crypto or tokens. Favely may change that

Decentralized ecommerce but extensions and multiple websites used make it clunky

Lack of loyalty program and no gamification experience

#### **What should Mammoth learn from Demand.IO?**

Start with a trusted customer base focusing on retention rather than new customer acquisition and transition to a model based more on blockchain and tokenization



*Our solution makes conversions easier for customers and encourages positive engagement behavior*

Pain Point	Inconvenience of tracking receipts	Continued engagement	Stagnant User Base
Solution	<ul style="list-style-type: none"><li>• Integration of e-receipts</li></ul>	<ul style="list-style-type: none"><li>• Tiered Access Program with personalized promotions</li></ul>	<ul style="list-style-type: none"><li>• Reward for bringing in new members</li></ul>

# *Where does it fit for Mammoth*



E-commerce  
integrations  
make life easier



Token tiers  
encourage users  
to be more  
involved

*Create value in the ecosystem, encourage repeat use,  
"level up" to the next tier*



## **Gated Access**

How do we create  
value for repeat  
VTAGZ customers?



## **Offer Rewards**

How do we ensure  
consumers return?  
How to we create  
value?



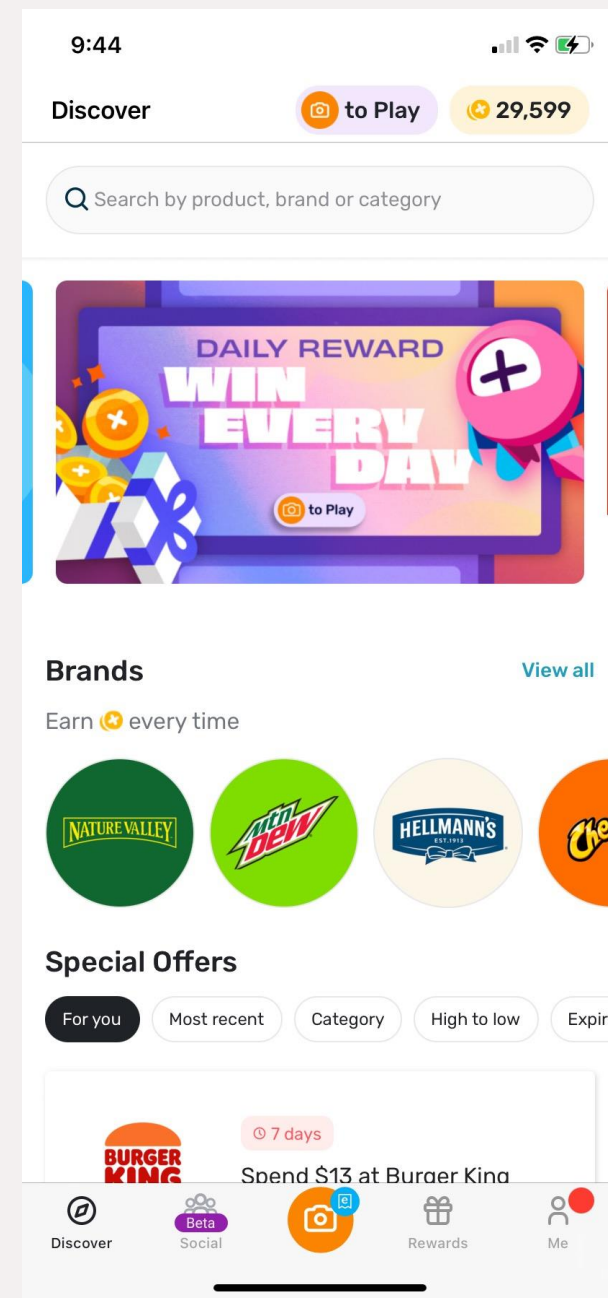
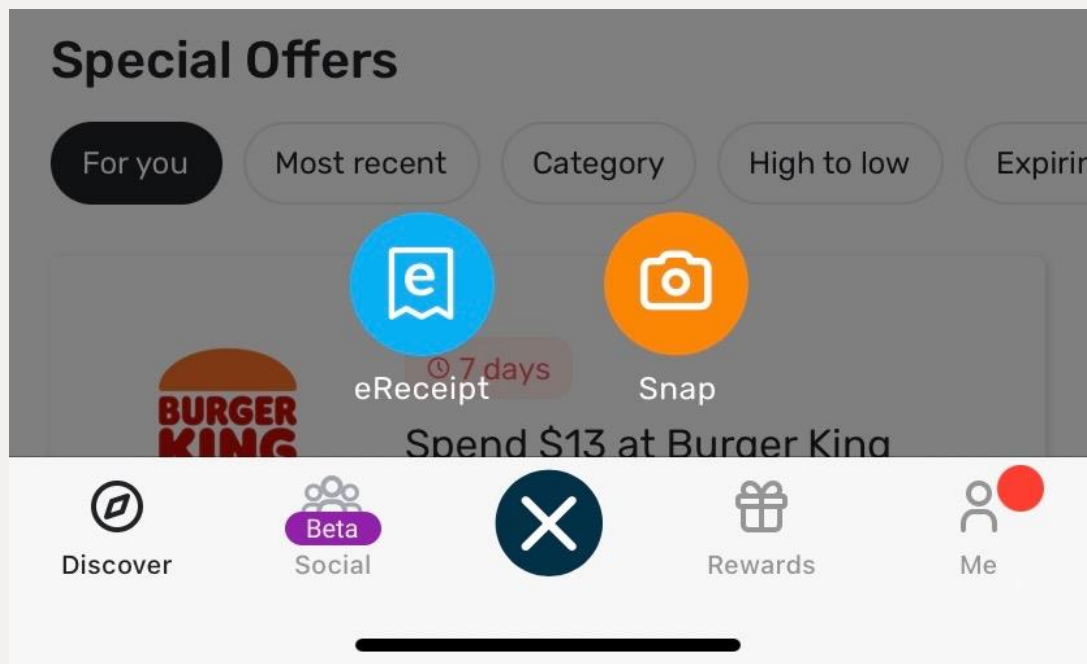
## **Engagement**

How do we increase  
user base and  
repeat use?

# *A newer, more seamless e-receipt management system*

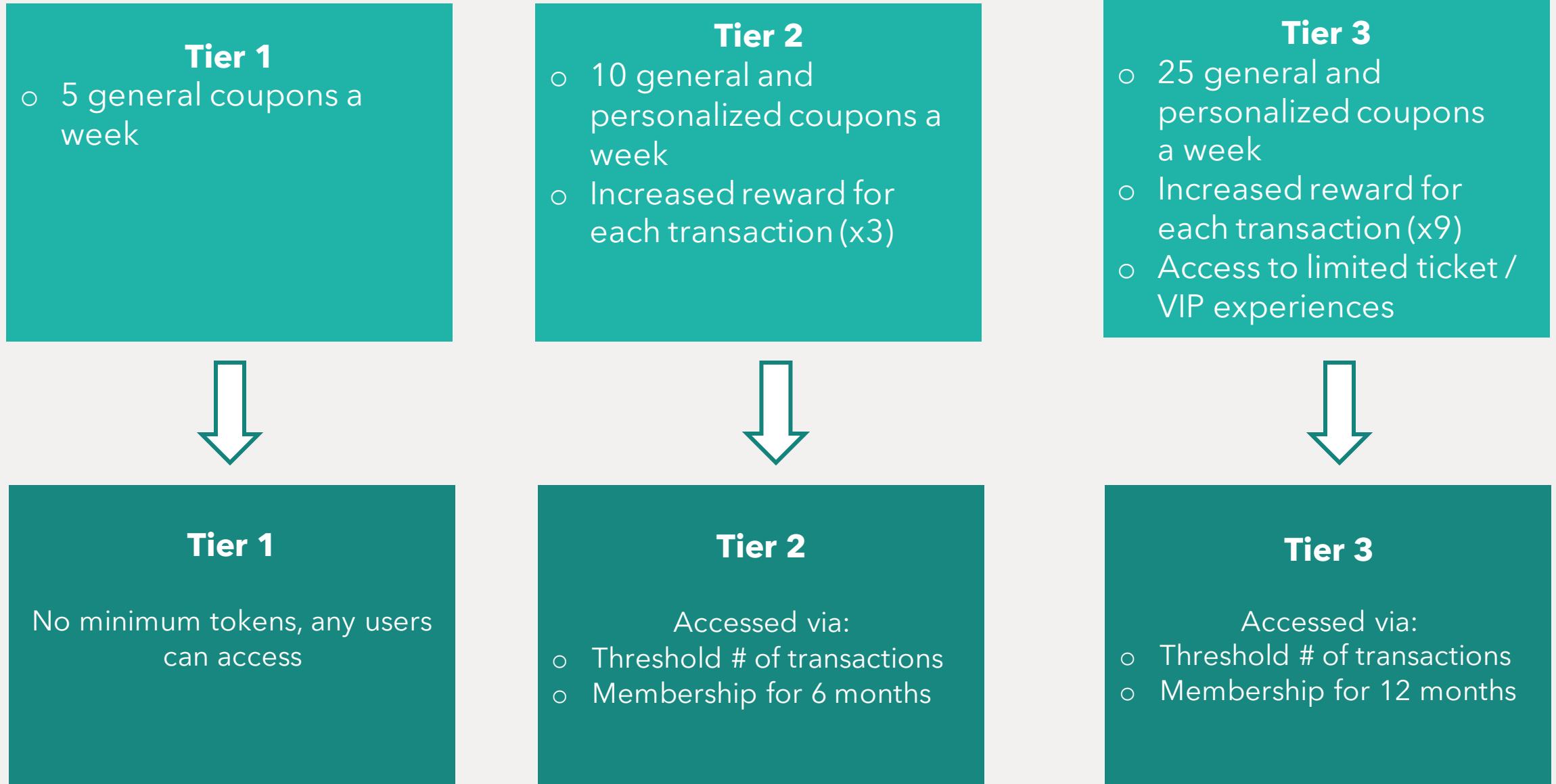
## VTAGZ Site

- Option to upload e-receipt
  - Connect to emails and other sites like Amazon
  - E.g., Fetch Rewards
- Mobile site - easy access to camera
- Work with brands for 2x tokens on purchases
- Referral bonus





### *3 Tiers of Tokenization with increasing rewards*



# *An Example of Exchanging Tokens for Prizes*



1,000 tokens

10% coupon to select stores



5,000 tokens

15% coupon to select stores



10,000 tokens

20% coupon to select stores



50,000 tokens

\$10 Gift Card to select stores



100,000 tokens

Access to limited amount of  
concert tickets, VIP  
experiences

# *Communicating Value to Stakeholders*



## **Consumers**

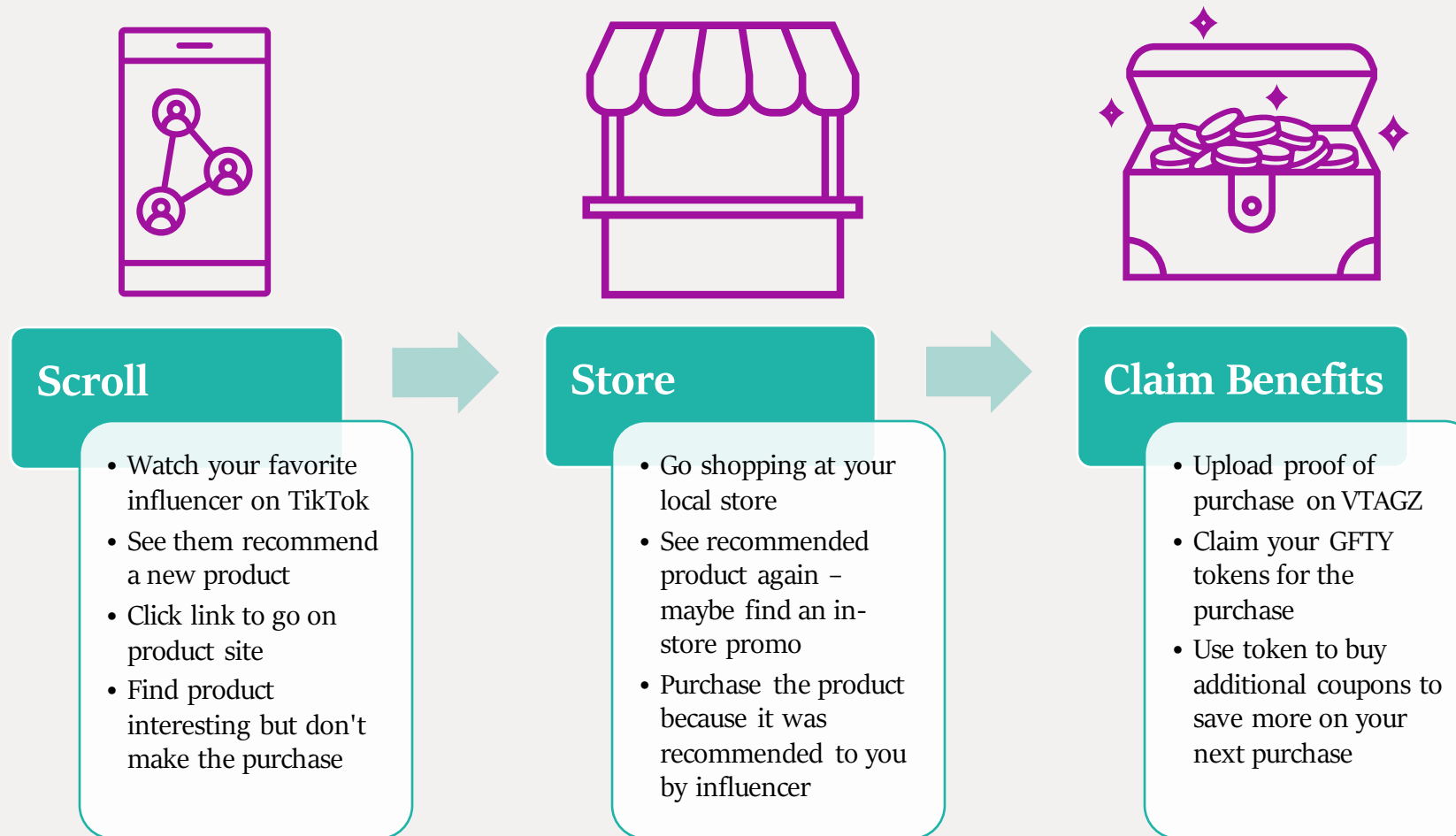
- ✓ Exchange tokens for monetary rewards
- ✓ Incentives for repeat usage
- ✓ Access to VIP events and experiences
- ✓ Personalized brand recommendations
- ✓ User data secured through Blockchain



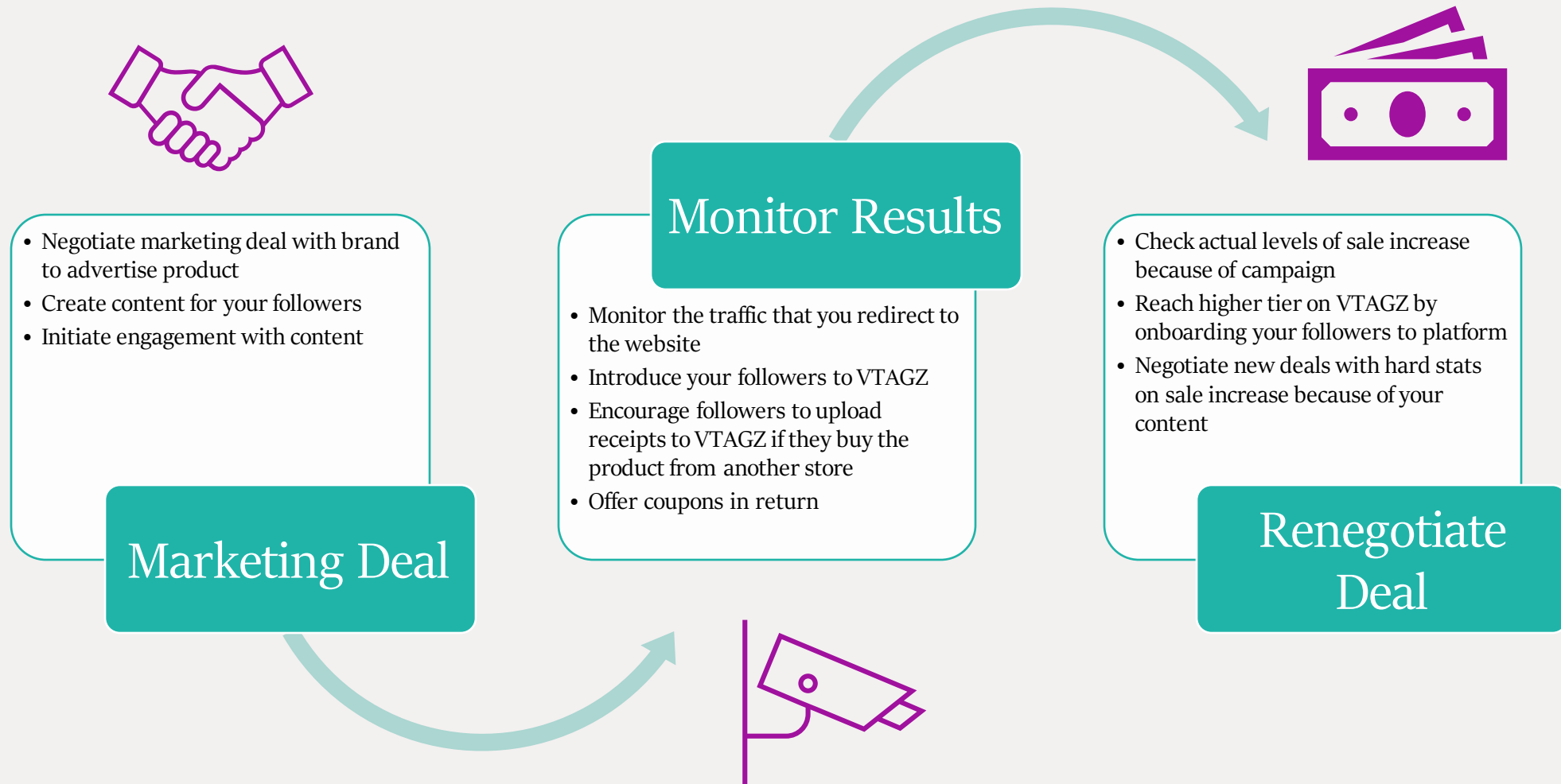
## **Influencer Ecosystem**

- ✓ Better brand deal negotiation
- ✓ Personalized user information tracking
- ✓ Closer engagement metric tracking
- ✓ Expand fanbase
- ✓ Data anonymized through Web3

# *How does a user engage with the product?*



# *How does an influencer engage with the product?*



# *How to face some potential challenges*

## **Slow ramp-up of Utility Tokens**

- Focus on development of utility within VTAGZ
- Early and frequent tests on smaller focus groups

## **Lack of influencers driving Token utilization**

- Drive idea of marketing opportunity for influencers
- Traditional channels as gateway to Token

## **Customer preference for USD over Token**

- Allow early customer rebates via USD and convert to Token over time
- Increase reward value for Token versus USD to drive interest and volume towards Token instead

*Questions*



# *Appendices*





## Risks and Mitigations

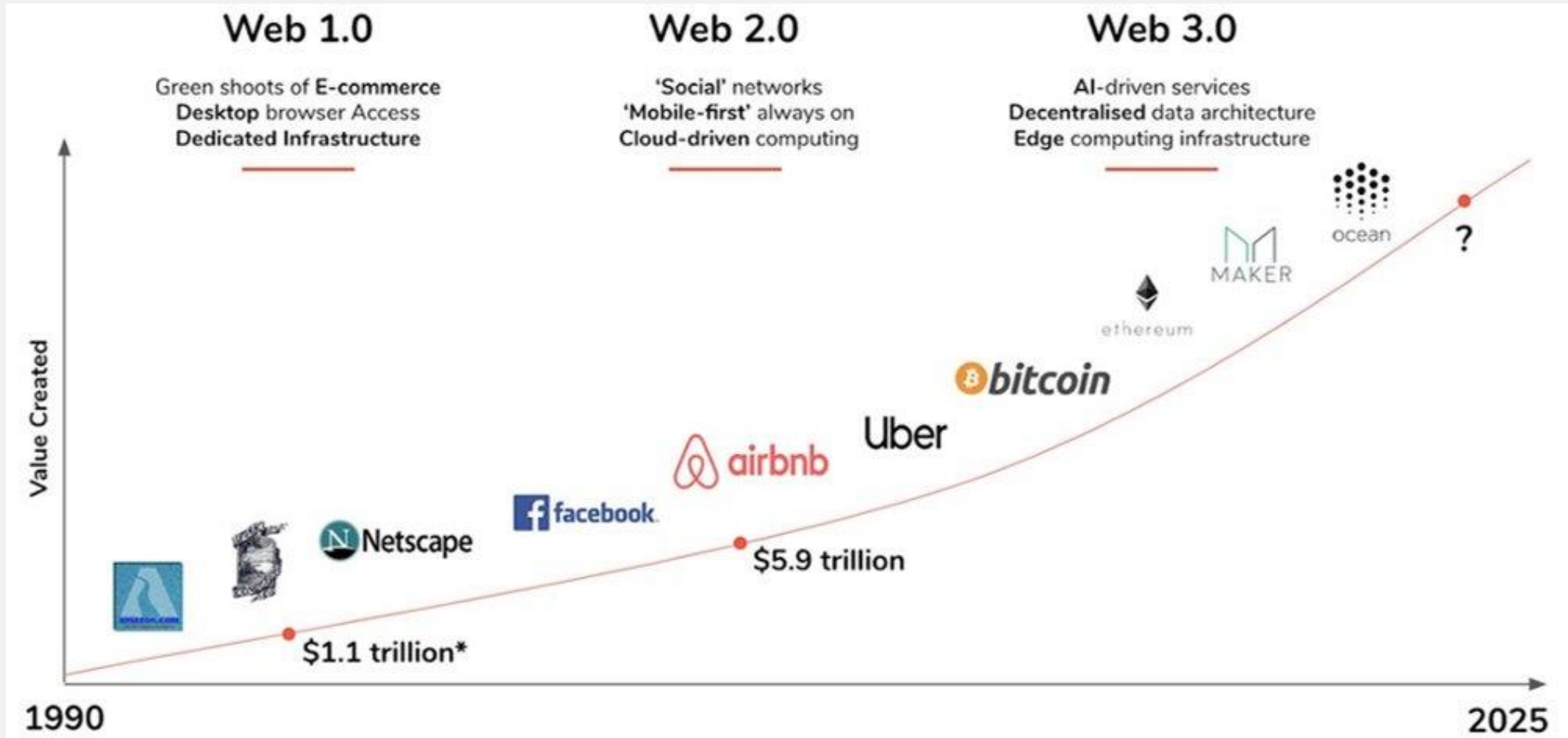
### Risks

- Customer intimidated by possessing tokens
- Limited influencer adoption
- Customer preference of USD over tokens

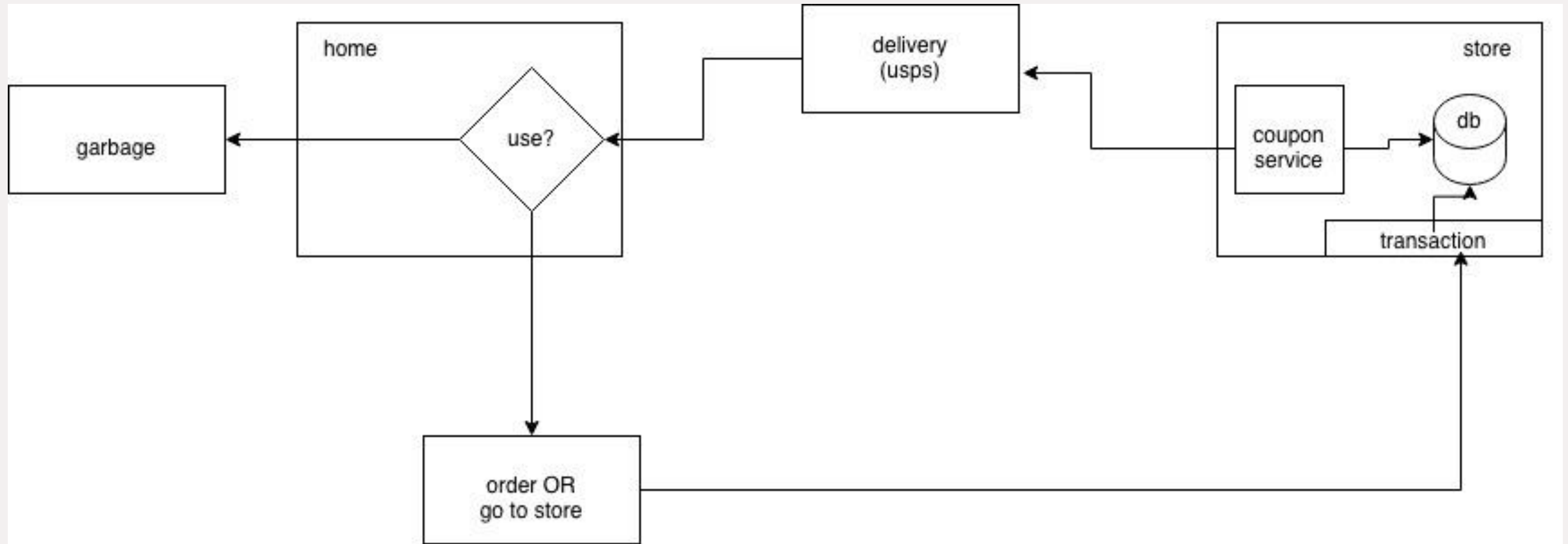
### Mitigations

- Early and frequent focus group and A/B testing
- Leverage existing Creatorly network
- Increase reward value of tokens by having unique coupons and promote cross collaboration with GFTY

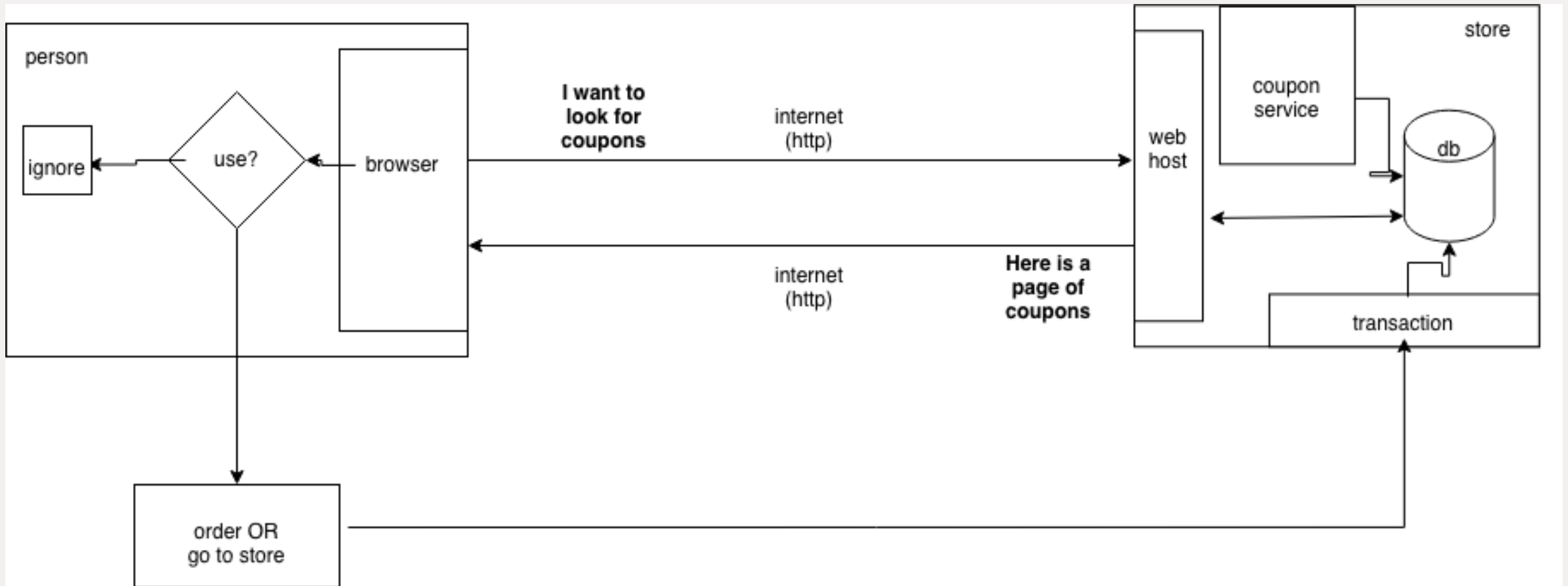
# The Journey to Web3



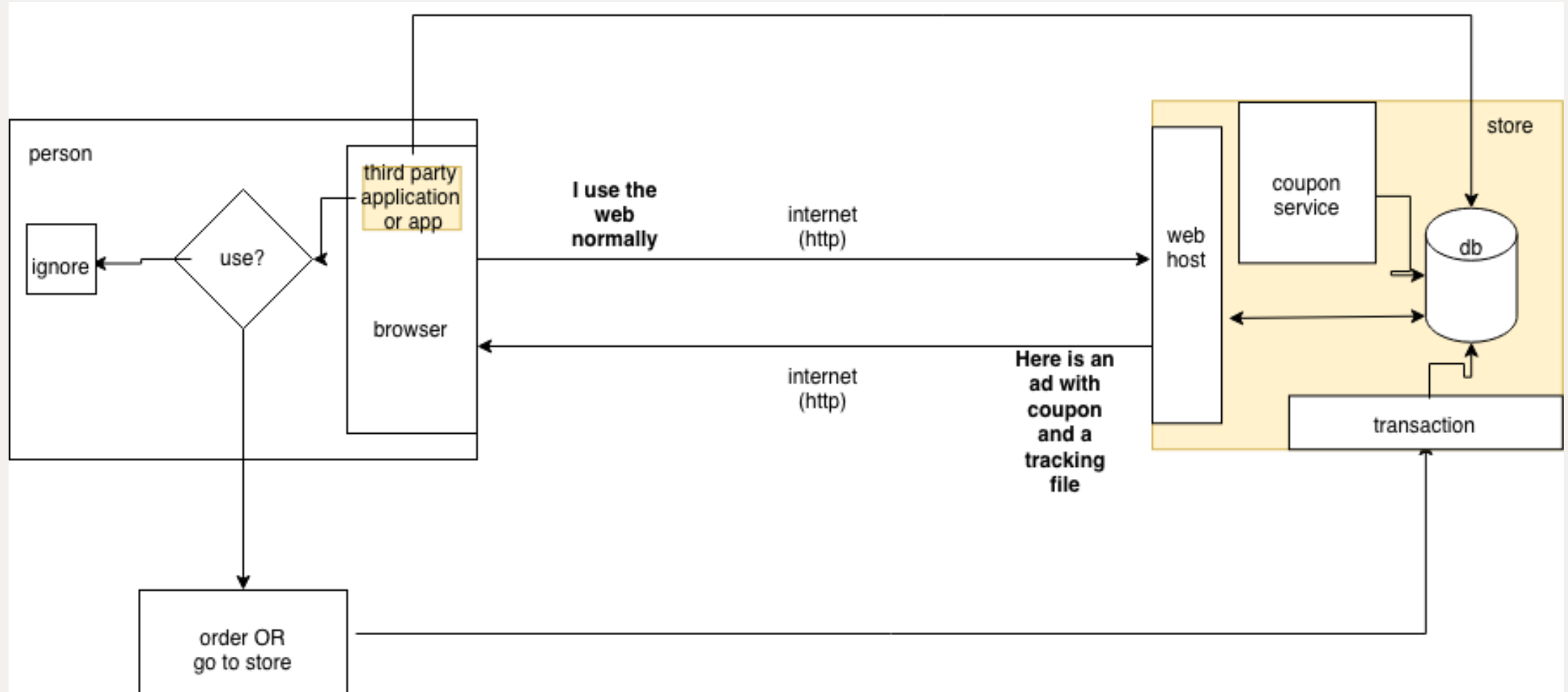
## Analog Coupon - Usage Map



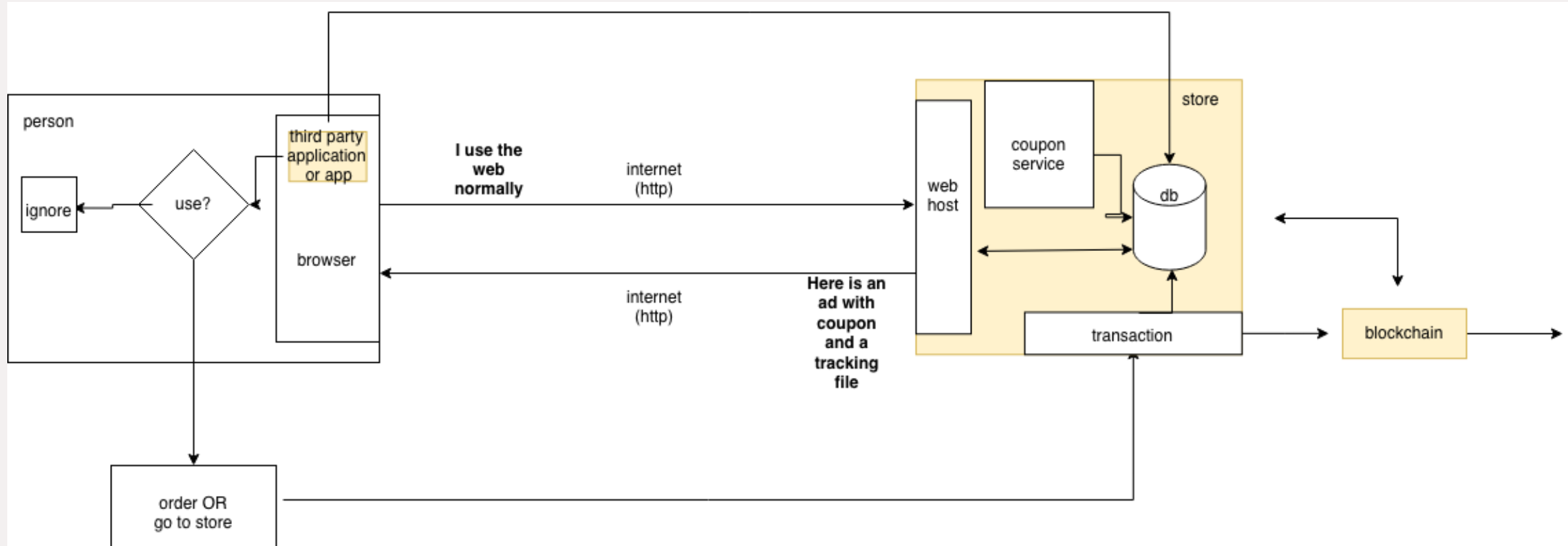
## Web 1.0 Coupons - Usage Map



## Web 2.0 Coupons - Usage Map



## Web 3.0 Coupons - Usage Map (WORKING SLIDE)



# *User Tracking and Incentives*

## **Pain Point**

- Purchase Validation
  - Current planned method requires a receipt scan that adds an additional step that customers need to do

## **Working Recommendation**

- Coupon Redemption
  - Given that data is available that the coupon was redeemed at a store or online, that can be used to attribute sale
  - Data sharing agreement can be handled through smart contract along with payment

# *User Tracking and Incentives*

## **Pain Point**

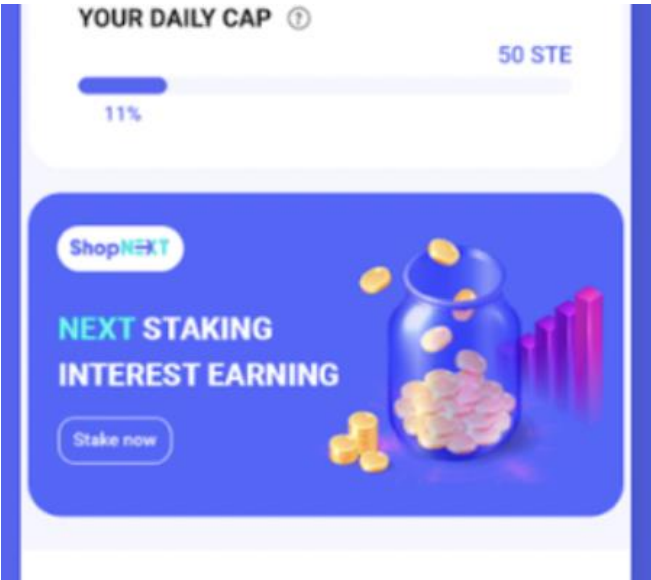
- On Chain Analytics
  - Don't know what current methods are being used to track continued wallet usage after user is provided one. It looks like polygon scan has that feature.

## **Working Recommendation**

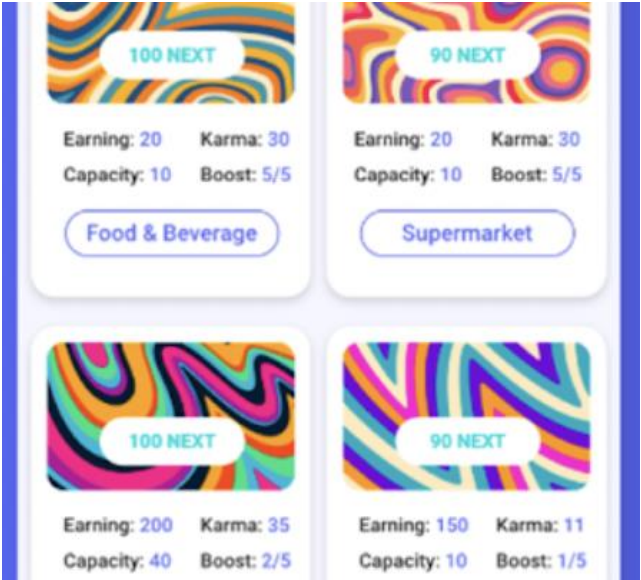
- Brainstorm Retention Tracking
  - Goal would be to track if a wallet you opened for someone is being used for general transactions



# ShopNext Screenshots

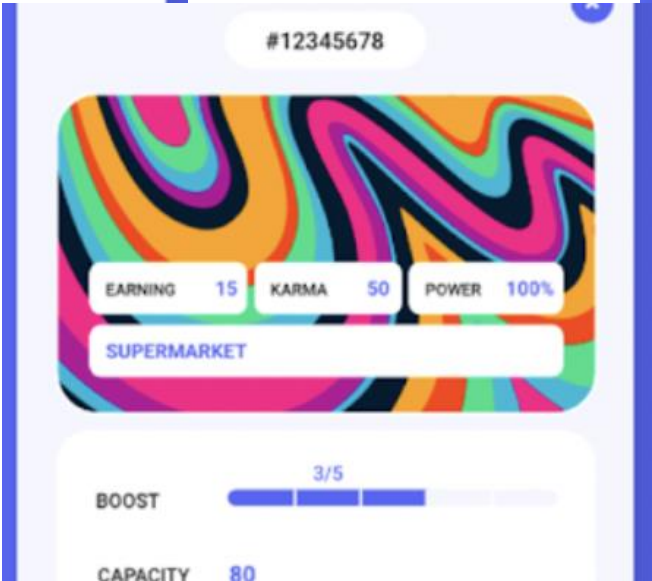


\$STE TRACKING

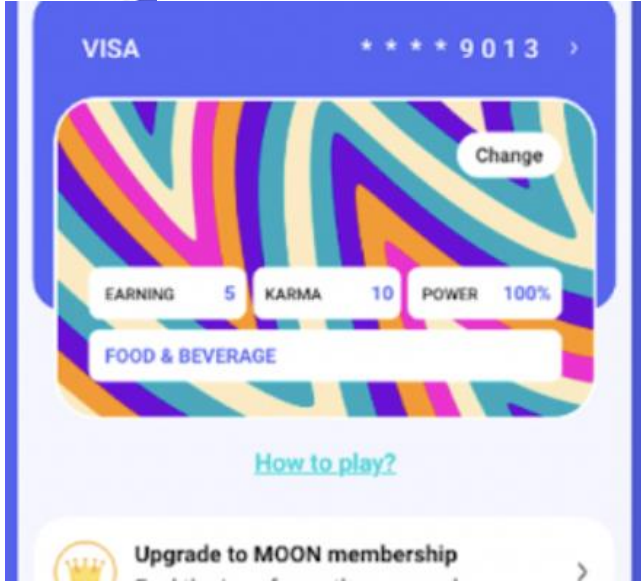


"KARMA" FEATURES TO GAMIFY SHOPPING

NFT BOOSTING



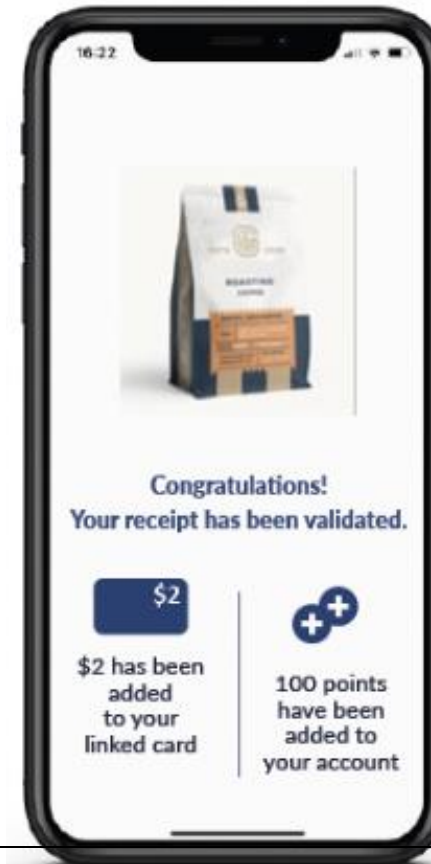
MOON MEMBERSHIP OPTIONS



## SNIPP Screenshots

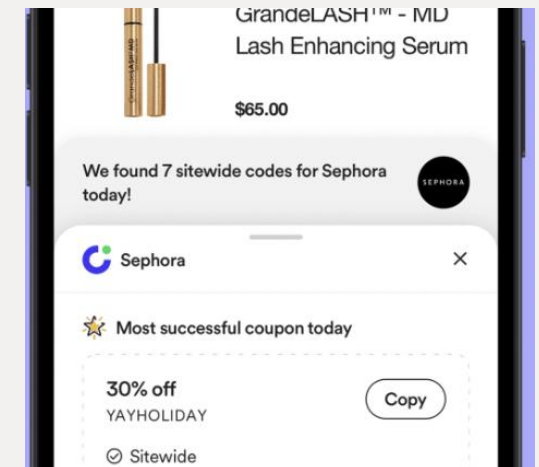
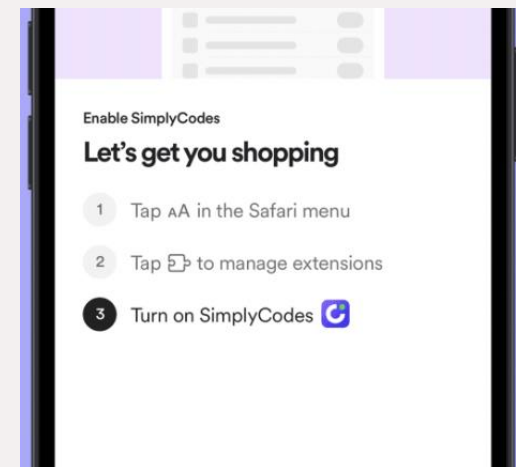
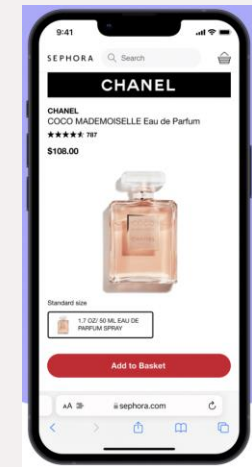
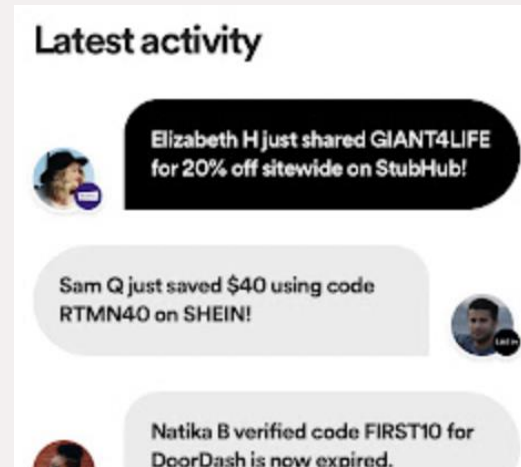


Fiat Currency Based



Rebate Focused with Lack of Coupons

## ***Demand.IO screenshots***



# Regulatory Considerations and Howey Test

- In the News!
- What it is (for digital assets)
  - Is digital asset an investment contract?
  - Are sales of digital asset securities transactions?
- Criteria
  - Investment of Money
  - Expectation of Profit
  - Common Enterprise
  - Derived from the Effort of Others
- Pitfalls to avoid for Mammoth
  - Focus on utility can nullify expectation of profit
  - Commoditization of Token supports lack of investment
  - Decentralized could argue not common enterprise



## Kraken Crypto Staking Program for U.S. Investors Shut Down in Aggressive Expansion of the Howey Test

in LinkedIn

f Facebook

t Twitter

Send

Embed



Blockchain  
News Aggregator

**Crypto and securities: New interpretation of US Howey test gaining ground**

[cointelegraph.com](https://cointelegraph.com)

At Feb 09, 2023 14:01 UTC

### Sources:

- [https://www.sec.gov/corpfin/framework-investment-contract-analysis-digital-assets#\\_edn9](https://www.sec.gov/corpfin/framework-investment-contract-analysis-digital-assets#_edn9)
- <https://decrypt.co/117546/sec-commissioner-hester-peirce-outlines-problems-with-the-sec-howey-test>

# *What changed in Web2.0*

**Consumer  
Experience**

**Personalization**

Enabled by the digitization of everything and the rise of mobile, personalization became a requirement and even table stakes in certain segments

**Loyalty Program  
Rules**

**Closed  
ecosystem**

Loyalty structure has been controlled by the sponsor brand that unilaterally creates the value and sets the rules of the loyalty “economy”

**Community  
Building**

**Digital/Mobile  
UX**

The shift to digital/mobile UX, rewarding both transactions and behavior, including in-app, paid with a tokenized card on file, and points are in the loyalty account

# *What could change in Web3.0*

**Consumer  
Experience**

**Ownership**

With the rise of crypto wallets allowing for user authentication into a decentralized peer-to-peer network on the blockchain, the ability now exists for a consumer to have undisputed ownership over a wallet's underlying tokens/NFTs

**Loyalty Program  
Rules**

**Portability of  
value**

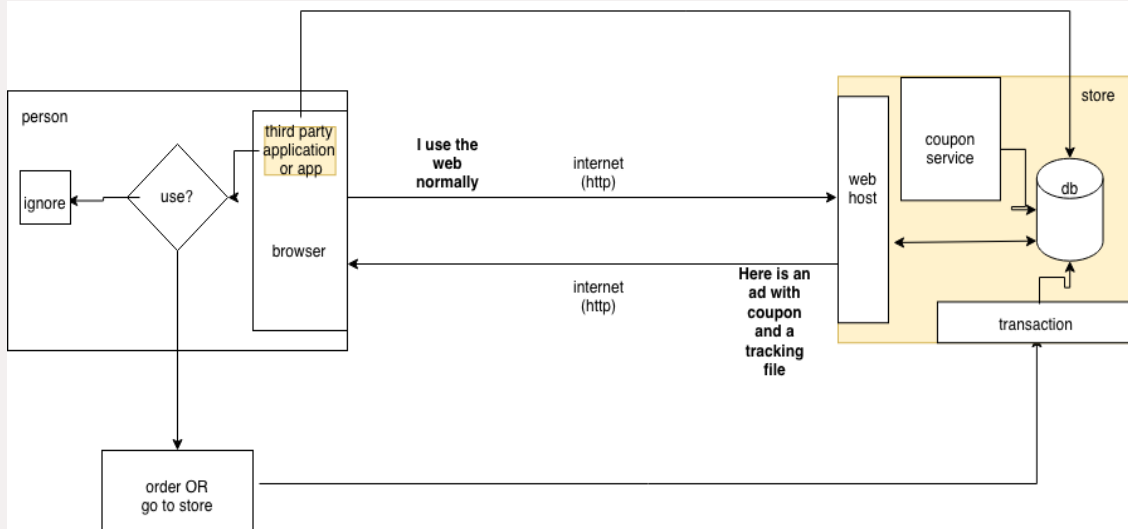
Enabling secure and increasingly easy experiences, including redeemable for physical goods, traded for digital items, used to buy digital enhancements in games/metaverse, or access to real-world or digital events

**Community  
Building**

**Interoperability**

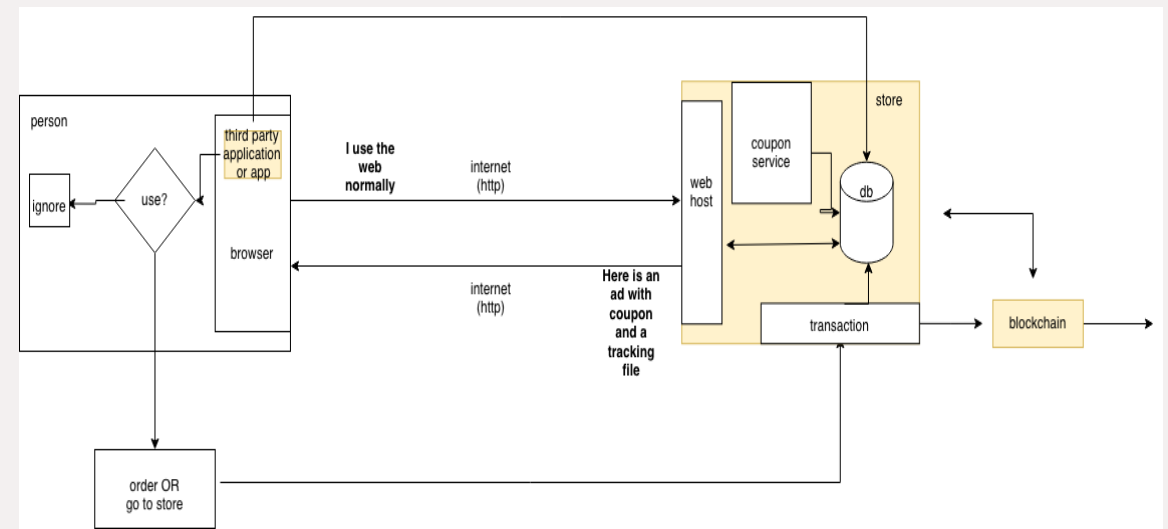
Enabling voting on brand decisions closest to customers' hearts, such as which product to launch next or the next partnership to bring onboard.

# Web2.0 and Web3.0 changed how we interact with coupons



# Change in Web2.0

- ✓ Personalized customer experience
- ✓ Closed loyalty ecosystem
- ✓ In-app based rewards



# Change in Web3.0

- ✓ Ownership on tokens/NFTs
- ✓ Interoperable loyalty ecosystem rule
- ✓ Portable value in rewards



## ***Next Steps***

- A/B test and focus group test the VTAGZ platform to ensure seamless experience
- Bring more brands on board so that a broader base of customers can be targeted (target brands used by younger, tech savvy customers)
- Create strategy to onboard influencers (market VTAGZ to them to incentivize them to use it to measure their reach and use it to negotiate with brands)
- *Advertise advertise advertise*
- Promote usage of GIFTY so that it can be traded across other platforms too - this will encourage customers to collect the tokens and see value in them outside of VTAGZ (even if they aren't very crypto-loving)



## *Things Mammoth Specifically Asked For*

- Perks for being a token user (think exclusive merchandise, rewards)
- Overall goal is to improve engagement

## *Recommendations for Increased Engagement*

- Upload e receipt to automatically post transaction to chain (think email scraper to look for receipt or web app extension like Fetch Rewards App)
- Copy Shopnext and partner with Visa or some other credit card (ex. ShopNEXT partnership with Visa card)

## *Recommendations for Perks of Token User*

- Personalized coupons for frequent and similar purchases
- Pair with experience provider
- Different tiers for membership levels I, II, III (ex. Airplane mileage membership program)
  - Unlock loyalty program with a certain amount of tokens (like ShopNext's \$NEXT for limited loyalty token that users acquire to upgrade their MOON membership)
  - Divide tiers by either count of tokens, usage rate (encourages frequent usage), referral (like Airplane's StarAlliance membership program)
  - Members need to get certain amount of new tokens and usage rate within a certain amount of time to maintain membership (think airline miles membership)

## *Recommendations for Offer Rewards*

- Different levels of coupons
- redeemable for physical goods, traded for digital items, used to buy digital enhancements in games/metaverse, or access to real-world or digital events -> need to be specific

## *Tokens Tier system*

- Tier 1
  - 5 personalized coupons a week
  - Example X
- Tier 2
  - 10 personalized coupons a week
  - Unique NFT with something that you like
  - Example X
- Tier 3
  - 25 personalized coupons a week
  - Unique NFT with something you like
  - \$5 gift card
  - Example X

# Offers Rewards

- *Coupons, Loyalty, Experiences*
- *Value subject to Tier*
- *10 GFTY => put two GFTY to win trip to the Bahamas*
- *VIP experiences / parties*
- *Staking?*
- *VALUE*