Metaverse Advertisement DAO

Whitepaper

Nov. 2021

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1 Introduction

1.1 About

Metaverse Advertisement DAO (MAD) is a decentralized autonomous organization dedicated to facilitate revenue-generating businesses in the metaverse by utilizing virtual real estate assets in advertising. Not only can businesses seek publicity through advertisements in the metaverse, landowners can also lease their land assets to earn profit. MAD provides a value exchange platform for virtual world landowners, players, and commercial companies alike, optimizing the utility of community-owned assets while sharing profit with DAO members.

1.2 Our Vision

MAD aims to provide real-world individuals and businesses, including artists, gamers, content creators, and traditional companies, a means of posting advertisements across different metaverse platforms as we firmly believe in the value of the virtual economy and the entanglement of virtual and real-world assets. MAD's goal is to expand MAD advertising estates to at least 2% of the entire metaverse space —1800 land parcels in Decentraland and 60 land parcels in Cryptovoxels— as well as to encourage current metaverse players to explore more and seize economic opportunities in the metaverse. Starting from advertising, we envision different revenue-generating businesses within these metaverse layers.

1.3 State of the Market

1.3.1 Metaverse Platforms

Currently, there isn't any singular universally interoperable metaverse; we have, instead, different platforms collectively contributing to a fragmented overarching metaverse. MAD supports advertisement on different platforms starting with Decentraland and CryptoVoxels and will continuously add more metaverse layers during as new platforms gain traction.
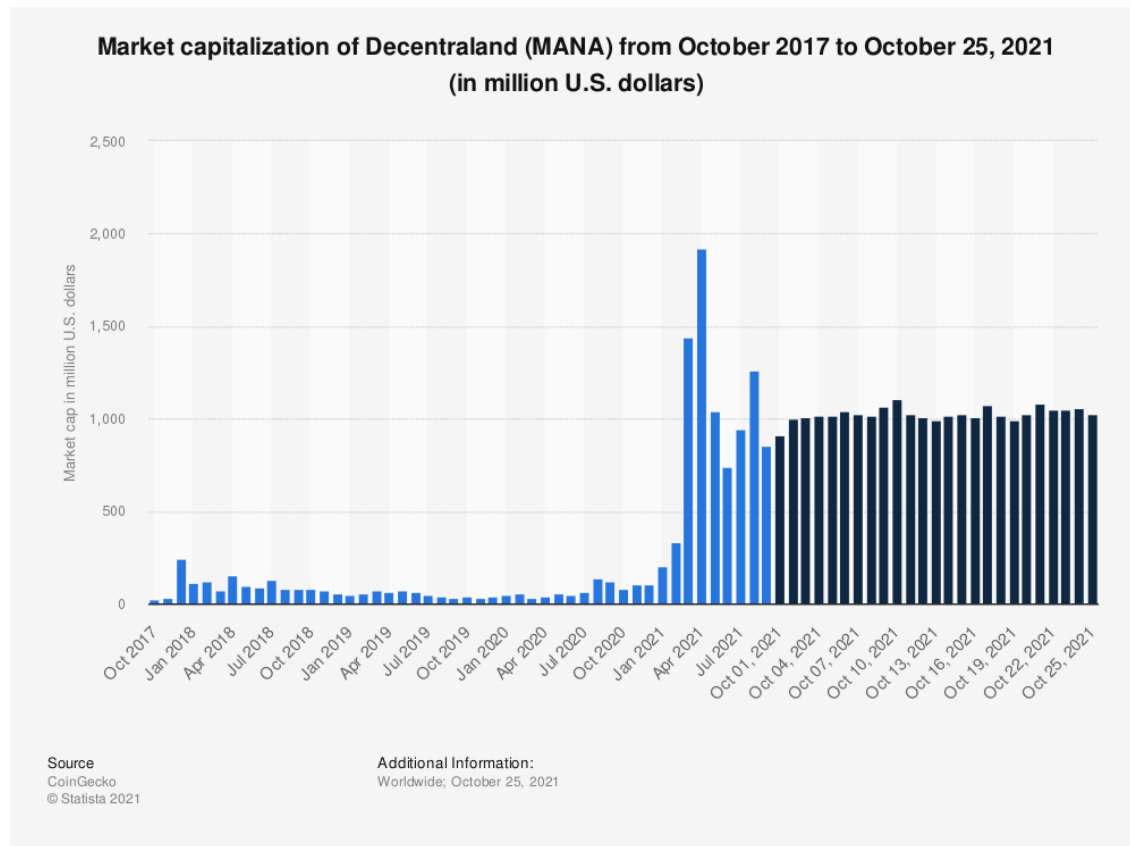
Figure 1. Market Capitalization of Decentraland(MANA).

Decentraland is an Ethereum-based virtual 3D space where you can build your assets, engage with Non-Fungible Token art, play interactive games, attend live concerts, etc. There is a thriving marketplace in the Decentraland world where players trade their Land assets and wearables. Two essential features of Decentraland that make it an ideal platform for MAD are 1) a customizable SDK for building and deploying -which makes it possible to automate the advertising process- and 2) allowing users to delegate operational rights to their land.

Cryptovoxels is a Minecraft-inspired virtual world consisting of 24 islands and 55 neighborhoods running on the Ethereum blockchain. Players can buy land and build stores and art galleries inside this reality. One of the best things you can do inside Cryptovoxels is to simply wander around, which makes billboard advertising more valuable. Moreover, parcel owners can designate parcels as "sandbox parcels", allowing anyone to build on their parcels for free. Sandbox parcels facilitate community interaction and involvement. In addition to directly purchasing a land parcel, parcel owners can also designate editing rights to contributors in par-

cel settings. This allows users to lend their parcels and opens up more monetary possibilities such as activity space renting, advertising, property management, etc.

1.3.2   Advertising in Metaverse

As Facebook's recent rebrand to Meta signaled an increased focus on the metaverse, various metaverse-related tokens greatly increased in value, including MANA and SAND: Decentraland's MANA token surged with 24-hour gains of over 44.6%, bringing its price to around $1.15. Sandbox's SAND rose by 21.5%, taking it to $1.02.

Brands and retailers are trying to foster new forms of customer engagement in the metaverse to grow sales, fintech companies are jumping on the opportunity to capitalize on new financial needs, and other gaming companies are creating new virtual products from avatars to collectibles. This increasing focus on the metaverse marks an excellent opportunity for MAD.

Advertising in the metaverse is not bound by physical limitations —anything can be modeled in 3D— and scripts improve interactive possibilities. Moreover, users can access ads anytime, anywhere, and can be redirected to other locations through hyperlinks. MAD will provide real-world entities with an effective and convenient advertising option.

1.4   Activities and Goals

- Establish a decentralized open platform for various metaverse asset holders to stake operating their assets to MAD. Asset holders can claim advertising revenue depending on estate size (land parcel amount), staked period, and traffic volume.

- Construct a regional traffic index in the metaverse as a reference for advertisement valuation and parcel (land) trading.

- Draw support from all metaverse resource service promoters to jointly conduct operational activities, curate, check-in, and customize wearables in the metaverse.

- Allow the community to approve proposals and vote to take part in DAO governance.

- Build revenue-generating businesses within metaverse layers.

2 Business Thesis

The primary revenue of the DAO will come from leveraging MAD-managed NFT assets (e.g. land parcels) either directly or indirectly via a rental program where MAD members utilize assets in exchange for a portion of the in-game rewards going directly to MAD.

Land Leasing. In MAD, land providers can delegate any amount of land to the DAO. Both Decentraland and Cryptovoxels allow users to assign operational rights to others while retaining their ownership. Users can view current yield, harvest their yield, or even redeem their estate anytime on our website. The land delegation workflow runs on the same network as the underlying metaverse application.

Auction. Unlike other land leasing services in the metaverse, MAD implements a bundling strategy: all land estates are batched together as a single combined bid to achieve maximum exposure. As MAD batches chunks of lands together, advertisement rights are auctioned in a minimum of 100 land blocks. Auctions are held once per epoch and a single epoch is 24 hours. As with all things in MAD, this is subject to revision by the community through DAO governance, potentially instating new auction mechanisms such as a continuous auction where epochs are replaced by an auction stream and the highest bidder will automatically be given advertising rights at any time. The auction workflow can function separately from the delegation workflow, giving it the flexibility to run on non-native blockchain networks and giving users the freedom to choose what network and cryptocurrency they use to bid.

Allocation. Of the winning auction bid, 10% go to DAO treasury and the rest go to land providers. Land providers earn APY with MAD token based on estate size, lease length, location, and traffic volume. Allocation can be further revised via DAO governance as MAD allows the community to initiate and vote on proposals.

Most of the current metaverse DAO build an easier gateway to the metaverse layers in order to accelerate the circulation of virtual assets. MAD achieves this purpose by allowing users to benefit from their unused land assets. In addition, it also facilitates other new markets within the metaverse economy such as real estate, mar-

keting, gaming, etc. MAD will draw support from all metaverse resource service promoters to jointly conduct operational events, curate, check-in, and customize wearables in the metaverse. Granted, the metaverse user flow is not comparable to that of traditional social media(Figure: 2), and thus MAD will also work with KOLs to produce relevant content on Twitter, TikTok, and YouTube, driving the demand of ad purchasers in the real world.
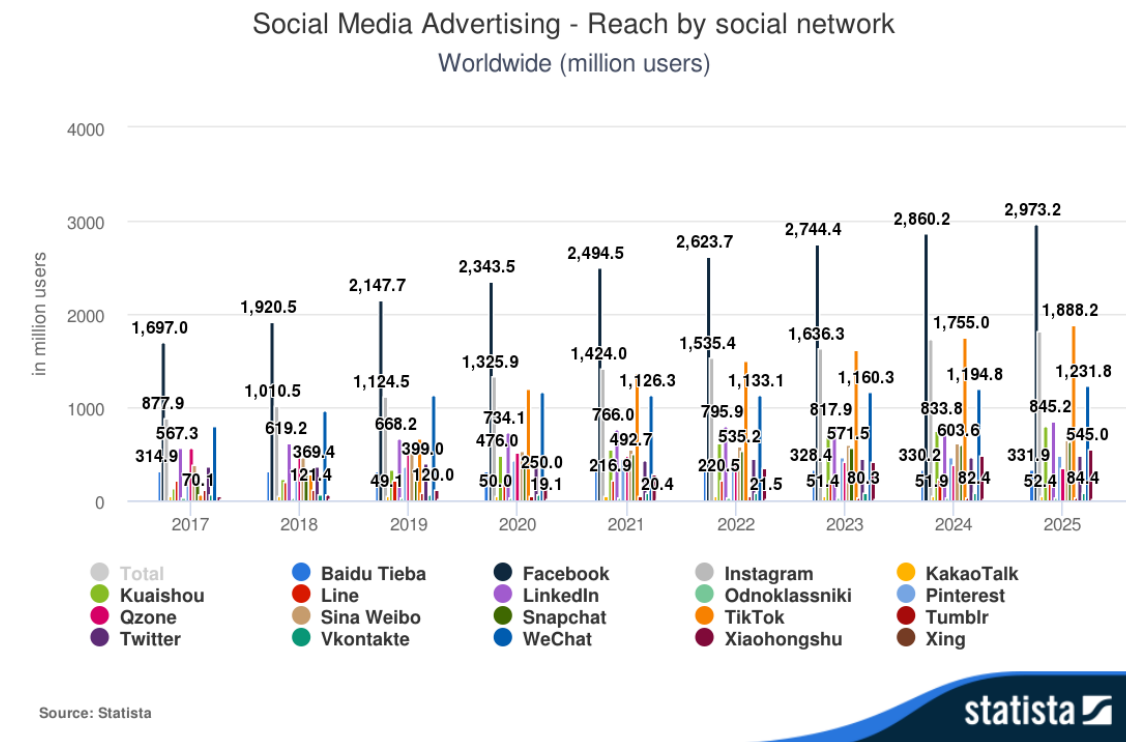

Figure 2. Social Media Advertising User Flow.

2.1   Value Proposition

MAD core team will work on the following:

- Acquire new ad leasers, ambassadors, community managers, and land providers.
- Incentivize participants through the 'Badger' reward program.
- Distribute token grants.
- Build technology to expand its core activities.
- Draw land lease from key locations.

MAD's value is derived from the following:

- Yield gained from assets acquired by treasury.

- Yield produced from active play of treasury's virtual assets.

- % of APY token rewards generated from treasury's farming activities.

- Rewards generated from ad lease.

- Rewards generated from sponsorships.

- Rewards generated from organizing operational events.

MAD token can be used for the following:

- Stake MAD for token rewards related to its overall activities.

- Stake MAD for lower cut rate in land delegation.

- Stake MAD to vote and participate in the DAO.

- Use MAD tokens to pay for services on its network.

2.2 The Treasury

The role of the MAD treasury is to oversee MAD assets management to maximize value returned to the DAO over time.

Economic Activities

- Purchase of land parcels on metaverse platforms to contribute to the development of metaverse economies;

- 3D model and build on land parcels to create advertising assets;

- MAD platform development (Dev Team and Bounties);

3   The DAO

3.1   Token Issuance

There will be a total of 100 million governance tokens in supply. Distribution of MAD token supply will occur in multiple phases scheduled on different dates and for different purposes. Allocation is as follows:
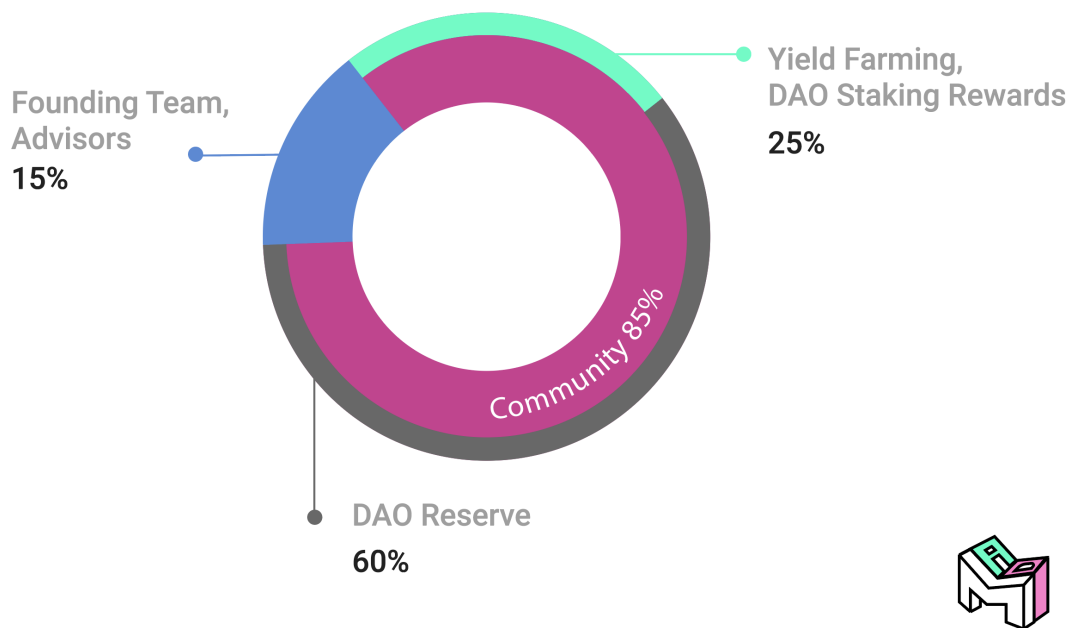

Figure 3. Token Allocation.

3.2   Early Structure

The MAD core team will be the earliest participants of the DAO. It will gradually consist of early investors, asset owners, and players in the blockchain gaming and NFT space. MAD token holders will eventually replace the early team as administrators of the protocol.

3.3   Governance and Voting

Proposals and voting will be related but not limited to the following subjects:

- Technology

- Products and projects

- Token distribution

- Governance structure

Any member of the MAD network can send proposals through the MAD forum for the ecosystem to cast their votes. Decisions will be based on the majority of votes and implemented through a distributed system. Tokens may be granted as rewards to community members that create winning proposals for the DAO to implement. As such, the MAD token is used to garner community consent for protocol-level changes to smart contracts, as well as for actions expensed from the DAO treasury.

Tokens will represent voting rights in the DAO. MAD implements quadratic voting, an innovative improvement of the traditional 1-person-1-vote or 1-dollar-1-vote voting scheme. The simplified formula on how quadratic voting functions is:

$$CostToTheVoter = (NumberOfVotes)^2 \qquad (1)$$

3.4   Badger System

MAD will jointly conduct operational events with leading protocols, projects, and communities. To incentivize participation, MAD will deliver exclusive NFT badges to the winners of operations events. Each event participant will be given an exclusive badger to that specific event. Badge holders will gain exclusive benefits and undisclosed leverage in MAD.

3.5   Staking

MAD token holders will be able to deposit and stake MAD tokens to claim an annualized yield of rewards. The APY of this pool is correlated with all of MAD's activities.

4   Road Map

4.1   Phase One

Platform Launch:

- Landing Page: show leased land distributions and billboards
- Landowner Page: tutorials on "updateOperator" function, teaching landowners how to delegate land to MAD
- Billboard building and deployment
- More partnerships

Community crowdfunds via NFT sale on Mirror:

- Launch early supporter NFT
- One Day Pass

Treasury Management:

- Dune dashboard
- Buy land parcels and build offices

4.2   Phase Two

Automated Process:

- Landowners can claim ad rewards based on leasing length, land size, location, and traffic volume
- Advertising rights are auctioned every epoch

DAO and Governance Token:

- Submit and vote on proposals with Snapshot
- Create Gnosis Safe to manage land operating rights

- Discord Community, bot verification

- Airdrop

- Liquidity farming

Scaling:

- Expansion to Cryptovoxels

- Community vote on the next Metaverse platforms

Advertising Operations:

- Scrolling ads display periods

- More media selections and interaction modes

- New forms of community engagement and activities