ApeCoin DAO Marketplace Proposal V2

After releasing our v1 marketplace proposal last week, we took a step back to digest MagicEden's competing proposal and get feedback from the community. The last couple weeks has been inspiring, meeting new ApeCoin community members, and listening to feedback. Below you will find our updated draft, including a summary of the feedback received, how we're adjusting, and why we're the right builders for the job.

At the heart of this proposal is our desire to build for the community, and embrace Web3 values of decentralization via composability, non-extraction, and interoperability.

- Composability

means parts of a system can be replaced and recombined so you can easily replace us as the ApeCoin DAO marketplace front end without impacting users.

- Non-extraction

means not charging more than you need, we take just enough to cover operating costs and keep building so we can do our best to return value to creators.

- Interoperability

means systems ability to use available data. By leveraging Reservoir0x we can both aggregate the most liquidity and make data available for aggregators and other user applications, something MagicEden has blocked on its Solana marketplace.

If you don't want to read the full proposal, please take a peak at what we're building, and how we're aiming to build the best Yuga-specific buying experience and skim the rest:

Core Marketplace UI With Multi-Collection Interface:

[

1440×1252 292 KB

](https://global.discourse-cdn.com/apecoin/original/2X/2/2bf10cf9a07e97772af51a6264c80e48231c0d6a.png)

Item Page Surfacing 'Matched' and 'Unused' Items From Other Collections:

[

1440×1266 228 KB

](https://global.discourse-cdn.com/apecoin/original/2X/5/5d9f251e733905baa1ecefbc935c50b999c37442.png)

Buy Now Flow Surfacing Marketplace Fee Savings vs. Opensea:

[

1440×900 155 KB

](https://global.discourse-cdn.com/apecoin/original/2X/a/a3a878624db25f72238799db21bbed6717ac0727.png)

Otherside Item Page With 'Take Me There' Button Deeplinked to Otherside Plot View:

[

1440×1364 384 KB

](https://global.discourse-cdn.com/apecoin/original/2X/7/716ebcb73bd2beb4f8bade7dfaa630c79444f44a.png)

Abstract

A community marketplace is a natural next step for the ApeCoin DAO. A successful community marketplace will: drive adoption of $APE through $APE listings, drive traffic to the ApeCoin DAO (apecoin.com), and decrease fees to community members by building a APE-native marketplace with rich ape-specific user experiences. In order to compete this marketplace must be cost competitive with fees in-line with or lower than competitors like X2Y2.

Our marketplace will host all Yugaverse projects in a single marketplace UI, with dramatically reduced fees, keeping $$ in the BAYC ecosystem and improving the marketplace experience for both buyers and sellers.

While we have a lot to share, some notable key features of the marketplace are the following:

- Leveraging @reservoir0x

's open-source, on-chain orderbook to increase openness and composability.

- Aggregated orders from major marketplaces (OpenSea, LooksRare, X2Y2, Sudoswap, and more) to maintain a strong bridge to the rest of the NFT market.

- Native sales in $APE with no fees to users buying and selling in $APE.

- A .5% marketplace fee on $ETH listings and a .25% fee in $APE. .25% of all fees will be sent to a community-held multi-sig wallet on a monthly cadence. The use of funds can then be decided in a separate AIP. (more on why later) The .25% from $ETH will be converted to $APE and sent to the wallet.

- Development of contextual and ape-specific marketplace functionality, such as integration of key BAYC metadata, relation to the Otherside, and more.

About Us

I'm Zach ([Twitter](#) / [LinkedIn](#)) and prior to starting [Snag Solutions](#) I was an early leader at DoorDash. I built our early pickup and ads businesses and helped merchants like Chipotle, Papa Johns, and Panera, run their online ordering, and defined an early crypto strategy in my final months.

I red-pilled into web3 last year, and fell in love with NFTs. BAYC was my first big purchase, and I'm a BAYC/MAYC/BAKC/Otherside holder. As a holder and early believer this project is not just a business opportunity for me, but a passion project. I see a massive opportunity to keep $$ in the BAYC ecosystem, reduce fraud, and drive $APE adoption.

My co-founder Jason ([Twitter](#) / [LinkedIn](#)) was our first merchant engineering manager at DoorDash and built both our early payments product and the carousels DoorDash still uses today. He's one of the best developers I've ever worked with and loves to build for creators.

We also have three advisors, all deeply engaged BAYC/MAYC members:

- TropoFarmer ([Twitter](#))

- NFTPres ([Twitter](#))

- Champtgram ([Twitter](#))

What We've Heard From The Community

We've spoken with a number of $APE community members over the last several weeks. There are four major topics that surfaced from our conversations. If you think we are missing anything at all, please comment so we can discuss.

1. The $APE community wants to embrace Web3 values of decentralization, non-extraction, and composability. In a dream scenario many would want to build and run the marketplace themselves, but recognize this isn't feasible today.

2. An ApeCoin DAO marketplace must drive value for the community, but because the DAO isn't legally set up to accept funds this is difficult to accomplish. There are four main proposals:

3. Burn $APE to drive token value through scarcity.

4. Fund marketplace incentives for marketplace users via tokenomics.

5. Send $APE to a donor advised fund that custodies the funds in $APE for a set time before donating.

6. Route money to a new ApeCoin sub-DAO that controls the funding, and is still governed by $APE token holders. This eliminates ApeCoin DAO legal complexity.

7. The volatility of $APE makes it a challenging currency to list high-priced NFT's in due to arbitrage opportunities, but use of $APE should still be encouraged.

8. DAO members would prefer not to choose a single marketplace at this time without enabling competition. Further, there's some concern about use of dedicated URL's as likely to lead to more fraud.

How we're responding

1. We're partnering with @reservoir0x

to leverage their open and on-chain orderbook. This comes with four key advantages:

- Order data is stored on Arweave, unlocking benefits from storing orders on-chain without the cost. This enables free listings and offers like users expect, but without reliance on a centralized orderbook managed in a private database. This also allows for permissionless data availability so users can build tools and data visualizations using on-chain data while removing a key centralization vector.

- Reservoir aggregates liquidity from across the ecosystem including orders from OpenSea, LooksRare, X2Y2, and more and enables order types that are unavailable in other marketplace stacks, like trait-based bidding. We'll innovate on the BAYC marketplace front end while they build the richest on-chain NFT data repository enabling us to pull in novel features as they ship.

- Since the Reservoir orderbook is on-chain (Arweave), the marketplace could easily be replaced if the community is dissatisfied with no loss of liquidity. For this reason, we are applying for a 6-month lease on a dedicated URL pointing to our hosted experience, and will apply for 6-12 month extensions following. This creates pressure for us to add value, if the DAO ever wants to replace us you can do it without impacting listings.

- We'll also partner with Reservoir0x to enable ERC-20 purchasing, since this functionality is already native to Reservoir, we're eliminating our $50K request for funding so there's no cost to the DAO.

- Due to lack of an obvious mechanism to add value to the DAO we're reducing our fees. Our initial proposal increased fees to fund payments directly to the DAO treasury as a new revenue stream, but because the DAO is set up as a Cayman foundation it can't accept funding without risking being ruled a security (for now). With this in mind we reduced fees to .5% on ETH and .25% on $APE with .25% of each transaction sent to a gnosis multi-sig as $APE for future community use.

- Total fees: .25% on listings in $APE, and .5% for ETH listings, with .25% of each transaction going to the DAO so we make .25% only on $ETH transactions.

- The multi-sig will be controlled by 7 reputable & doxxed community members with use of funds to be voted on at a later date.

- Because of strongly divided feedback across burning, incentives, and charitable contributions, we propose starting the funding stream immediately and tabling the topic for a separate AIP. This approach maintains an incentive to list in $APE via our 0% fee, and we can then explore solutions to enable listing in $ETH or $USDC with payment in $APE.

- We're open to supporting any path chosen by the community, but want to give the DAO time to make a decision on use of funds. We're keeping our fees low so if the DAO wants to increase the seller fee on either $ETH or $APE transactions.

- If there's overwhelming support for the a single approach we can pivot, but our current POV is that use of funding is a critical DAO topic that should be tackled separately.

- We're revising our proposal to request EITHER a dedicated URL ie.marketplace.apecoin.com AND/OR a dedicated link from the ApeCoin DAO homepage. If the community prefers to select multiple marketplaces we're open to being one of severa URL's or links available. That said, we believe a single marketplace will be best for the community so we don't split attention and liquidity.

Why Snag Solutions is the Right Partner and Where We'll Go From Here

1. We're experienced marketplace builders who share a vision of helping creators and communities capture value by unbundling NFT marketplaces. Our roadmap improves upon the project-specific buying experience via a multi-collection UI, linking items across collections, improving token metadata, and building social tooling.

2. We're building project-specific marketplaces with creators and their communities in mind. Everything we're building is project-specific. We plan to build creator first tools like private sales with no fees except for creator royalties, and can create a separate AIP to introduce this feature and help limit scams when ready.

3. We'll keep building for the ApeCoin community and collecting feedback but will focus on the NFT marketplace without touching adjacent revenue streams and marketplace categories like IP licensing or merch marketplaces leaving opportunities for other $APE community builders. Our .25% $ETH fee will fund ongoing development and we'll use this as a key proof case for first party marketplaces.

Finally, while fees are not the only thing that matters, we want to reiterate that we have a market ready product that we're prepared to invest in at dramatically lower rates. Why would we let the leading Solana marketplace charge a full percent more for a similar, more centralized, offering?

More importantly, why would anyone use that marketplace with a 1%+ fee over X2Y2?

- $ETH fees:

- ME:

1.5%, .25% discount if BAYC/MAYC

- SNAG:

.25% fee + .25% burn

- ME:

1.5%, .25% discount if BAYC/MAYC

- SNAG:

.25% fee + .25% burn

- $APE fees:
- ME:

1%, .25% discount if BAYC MAYC

- SNAG:

.25% fee + .25% burn

- ME:

1%, .25% discount if BAYC MAYC

- SNAG:

.25% fee + .25% burn

So to summarize:

1. We'll build a native marketplace that hosts all Yugaverse collections with .5% on $ETH listings and .25% fees on $APE listings with an open order book solution and aggregated liquidity. .25% of each transaction will be earmarked for the DAO, and we'll apply for renewal in 6-months.

2. All $APE fees will be routed to a community held multi-sig with use of funds to be voted on in a future AIP. This gives the DAO more time to determine how to best utilize new funding sources while taking $APE off of the market in the interim.

3. We're experienced marketplace builders, established community members, and flexible partners incentivized to drive value for the DAO. We'll also never host a competitive marketplace hosting Yuga collections or silo marketplace liquidity to capture value.

4. We're entirely focused on and committed to innovating on the front end experience to make sure the ApeCoin DAO marketplace is the go-to destination for Yugaverse NFTs.

Product Specifications | Overview of Snag Tech Stack

1. Front end libraries - Next.js, Vercel

2. Reservoir0x's aggregated liquidity and open-source + on-chain order book.

3. Light backend for social features like user profiles

Next Steps & Timeline:

1. Our partnership with Reservoir0x lets us to launch as soon as we complete the audit process.

2. We'll complete an audit prior to supporting this level of scale and want to enable the community to determine the best auditor for the job. We're happy to do the work to find someone reputable who fits into our timeline, or can source from the community.

Overall Cost:

No cost to the DAO.

Marketing commitments from ApeCoin DAO including:

- A 6-month lease on a dedicated URL (ie.marketplace.apecoin.com) pointed to our hosted experience AND/OR a link to our URL from the ApeCoin homepage. We prefer both, but will take either depending on board and community feedback.

- Twitter post(s) at launch

Closing Thoughts & Helpful Links

ApeCoin DAO is uniquely positioned to change the current dynamics of NFT marketplaces where the majority of value is

captured by two marketplace providers. The $APE community deserves a dedicated marketplace for Yuga projects that is built with the collections in mind and minimally extractive. We can build this future alongside the community without concern of misaligned incentives stemming from a separate marketplace Ethereum marketplace.

Finally, a note on Magic Eden's proposal, I'm personally supportive of any of the three other marketplace proposals and trust the community will see the [centralization risk associated with a ME marketplace](#).

We look forward to hearing your feedback! Please comment or reach out via [twitter](#) if interested in chatting, and I'm excited to join any Ape-led spaces to share the message in the coming weeks.

Helpful Links

1. [Demo (Youtube) of BAYC Marketplace on MainNet]

([Snag Solutions ApeCoin Marketplace Demo - YouTube](#))

– Our product design is modular and will be customized for Yuga collections to match the designs below. We already have the core-experience live on MainNet and are sharing our demo.

1. [Goblintown's marketplace launch announcement](#) leveraging Snag Solutions.

2. [Reservoir0x launch announcement](#)

3. Why decentralization, composability, and non-extraction are relevant to the proposal:

– The Layer: [Solana NFT Marketplace Magic Eden Turns Centralized](#)

– NFT Now: [NFT Marketplace Are Centralized, and It's a Real Problem](#)

– Punk 6529: [On Royalties](#) (tweet thread)